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UNDP FINANCIAL, BUDGETARY AND ADMINISTRATIVE MATTERS

BUDGET ESTIMATES FOR THE BIENNIUM 1996-1997

Revised budget estimates for the 1994-1995 biennium and budget estimates for the 1996-1997 biennium

Report of the Administrator

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List of abbreviations

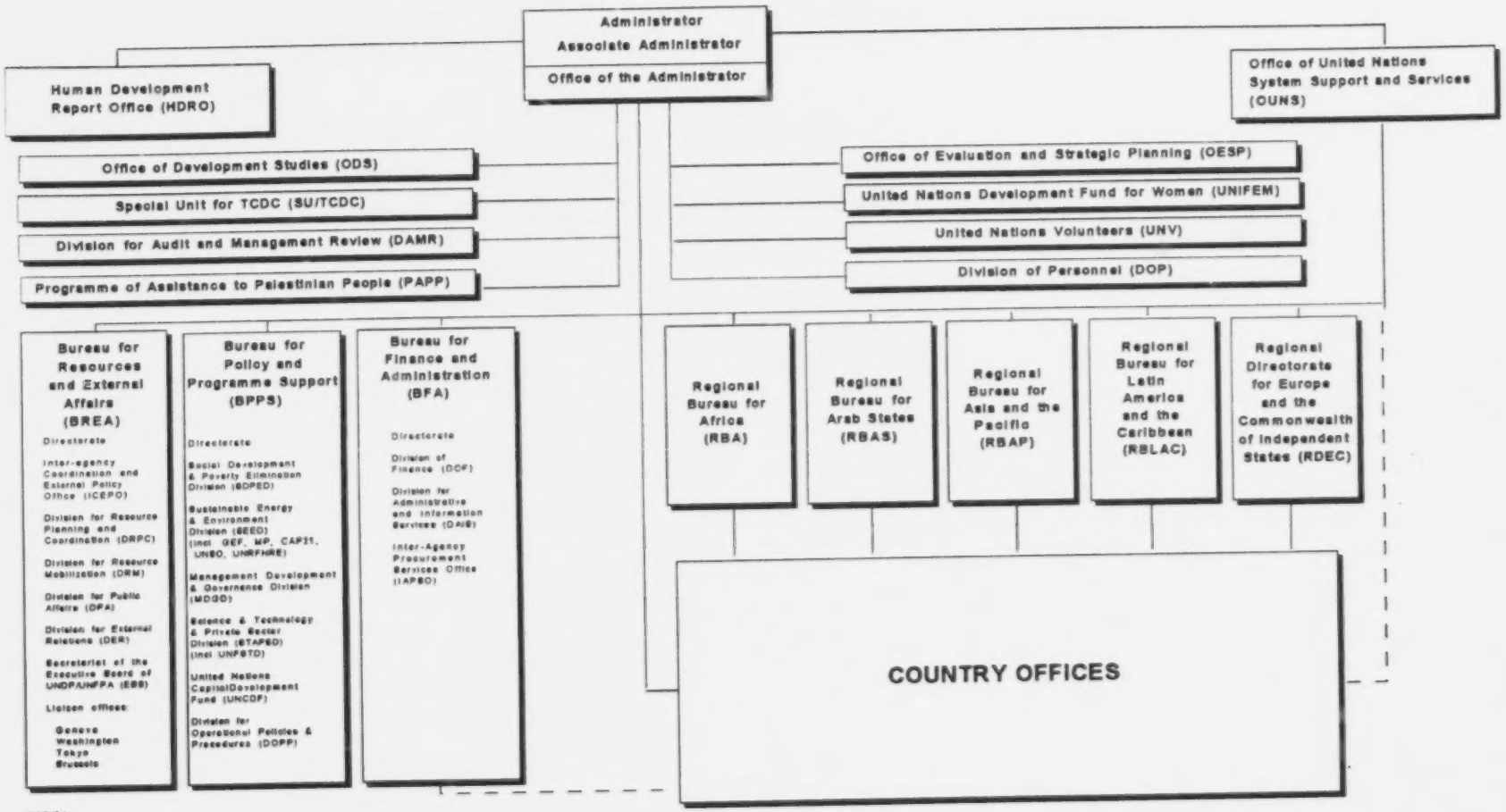
A	Administrator
AA	Assistant Administrator
ADM	Administration
AsA	Associate Administrator
ACABQ	Advisory Committee on Administrative and Budgetary Questions
AO	Administrative officer
ARA	Assistant Resident Representative Administration
ARP	Assistant Resident Representative Programme
BFA	Bureau for Finance and Administration
BPPS	Bureau for Policy and Programme Support
BREA	Bureau for Resources and External Affairs
BSG	Budget Strategy Group
CGIAR	Consultative Group on International Agricultural Research
CSA	Field Office Common Services Account
CTU	Career Transition Unit
DAMR	Division for Audit and Management Review
DAIS	Division for Administrative and Information Services
DER	Division of External Relations
DGIP	Division for Global and Interregional Projects
DOF	Division of Finance
DHA	Department of Humanitarian Affairs
DMTP	Disaster Management Training Programme
DPA	Division for Public Affairs
DPI	Department of Public Information
DOP	Division of Personnel
DOPP	Division of Operational Policies and Procedures
DPSD	Division for Private Sector Development
DRM	Division for Resource Mobilization
DRPC	Division for Resources Planning and Coordination
DRR	Deputy Resident Representative

DSS	Field Office Development Support Services
EB	Executive Board
EBS	Executive Board secretariat
EC	Economist
EDP	Electronic data processing
FSL	Field-service level
GC	Governing Council
GEF	Global Environment Facility
GS	General Service
GCCC	Government cash counterpart contributions
GLOC	Government contributions to local office costs
HDRO	Human Development Report Office
HP	Humanitarian Programme
IAPSO	Inter-Agency Procurement Services Office
ICEPO	Inter-Agency Coordination and External Policy Office
ICSC	International Civil Service Commission
IFAD	International Fund for Agricultural Development
IMIS	Integrated Management Information System
IPF	Indicative planning figure
IPM	Integrated Programme Management Project
JIU	Joint Inspection Unit
JPO	Junior Professional Officer
LDC	Least developed country
MDGD	Management Development and Governance Division
MPU	Montreal Protocol Unit
NEXAS	National Execution Audit Section
NGO	Non-governmental organization
NIS	Newly independent state
NO	National officer
ODS	Office of Development Studies
OESP	Office of Evaluation and Strategic Planning
OM	Operations Manager

OUNS	Office of United Nations System Support and Services
P	Professional
PCO	Planning and Coordination Office
PO	Programme Officer
PSDA	Programme support and development activities
RBA	Regional Bureau for Africa
RBAP	Regional Bureau for Asia and the Pacific
RBAS	Regional Bureau for Arab States
RBLAC	Regional Bureau for Latin America and the Caribbean
RDEC	Regional Directorate for Europe and the Commonwealth of Independent States
RR	Resident Representative
RSC	Regional Service Centre
SHD	Sustainable human development
SMF/LDC	Special Measures Fund for the Least Developed Countries
SDPED	Social Development and Poverty Elimination Division
SEED	Sustainable Energy and Environment Division
SMC	Strategy and Management Committee
SPR	Special Programme Resources
STAPSD	Science, Technology and Private Sector Division
SU/TCDC	Special Unit for Technical Cooperation among Developing Countries
TCDC	Technical cooperation among developing countries
UN-NADAF	United Nations New Agenda for the Development of Africa
UNCDF	United Nations Capital Development Fund
UNCED	United Nations Conference on Environment and Development
UNEP	United Nations Environment Programme
UNFPA	United Nations Population Fund
UNFSTD	United Nations Fund for Science and Technology for Development
UNICEF	United Nations Children's Fund
UNIFEM	United Nations Development Fund for Women
UNOPS	United Nations Office for Project Services
UNRFNRE	United Nations Revolving Fund for Natural Resources Exploration

UNSO	Office to Combat Desertification and Drought (formerly United Nations Sudano-Sahelian Office)
UNV	United Nations Volunteers
WFP	World Food Programme

UNDP ORGANIZATIONAL CHART


Administrator
Associate Administrator
Office of the Administrator
Human Development Report Office (HDRO)
Office of United Nations System Support and Services (OUNS)
Office of Development Studies (ODS)
Special Unit for TCDC (SU/TCDC)
Division for Audit and Management Review (DAMR)
Programme of Assistance to Palestinian People (PAPP)
Office of Evaluation and Strategic Planning (OESP)
United Nations Development Fund for Women (UNIFEM)
United Nations Volunteers (UNV)
Division of Personnel (DOP)
Bureau for Resources and External Affairs (BREA)
Directorate
Inter-agency Coordination and External Policy Office (ICEPO)
Division for Resource Planning and Coordination (DRPC)
Division for Resource Mobilization (DRM)
Division for Public Affairs (DPA)
Division for External Relations (DER)
Secretariat of the Executive Board of UNDP/UNFPA (EBS)
Liaison offices:
Geneva
Washington
Tokyo
Brussels
Bureau for Policy and Programme Support (BPPS)
Directorate
Social Development & Poverty Elimination Division (SDPED)
Sustainable Energy & Environment Division (SEED) (incl GEF, MP, CAP21, UNSO, UNRFHRE)
Management Development & Governance Division (MDGD)
Science & Technology & Private Sector Division (STAPSD) (incl UNFSTD)
United Nations CapitalDevelopment Fund (UNCDF)
Division for Operational Policies & Procedures (DOPP)
Bureau for Finance and Administration (BFA)
Directorate
Division of Finance (DOF)
Division for Administrative and Information Services (DAIS)
Inter-Agency Procurement Services Office (IAPSO)
Regional Bureau for Africa (RBA)
Regional Bureau for Arab States (RBAS)
Regional Bureau for Asia and the Pacific (RBAP)
Regional Bureau for Latin America and the Caribbean (RBLAC)
Regional Directorate for Europe and the Commonwealth of Independent States (RDEC)
COUNTRY OFFICES

I. OVERVIEW

A. Executive summary

1. The Administrator is presenting in the current document the latest revision to the 1994-1995 biennial budget, together with the proposed 1996-1997 biennial budget estimates. Table I provides an overview of these estimates. For ease of review, the appropriation line for country offices includes the budget relating to support to the operational activities of the United Nations as a whole. In the appropriation decision table, however, this portion is reflected separately as a subcomponent of the programme support and development activities.

1. The revised 1994-1995 budget estimates

2. The revised core budget estimates for 1994-1995 do not contain any net volume adjustments. The realignments and adjustments that the Administrator implemented in 1994, and referred to in his report on revised budget estimates for the biennium 1994-1995 (DP/1994/35 and Corr.1), were accommodated through internal redeployment of resources. These are incorporated in the present estimates.

3. The Administrator proposes that the budget estimates for the field presence in the Commonwealth of Independent States and Baltic States be presented as an integral part of the overall budget estimates in a manner that is consistent with the presentation of budget estimates for regions in general, and country offices in particular.

4. The net effect of the various cost, inflation, and currency adjustments on the budget for core activities and support to the operational activities of the United Nations is a downward adjustment of $1.4 million to a new total of $472.0 million gross, or $435.3 million net. The newly revised estimates are $14.1 million, or 3 per cent, less than the original 1994-1995 estimates approved by the Governing Council in its decision 93/35 of 18 June 1993.

5. The revised estimates for programme support and development activities (PSDA) include a volume increase of $0.2 million. This increase pertains to UNV, and is a result of the application of the staffing formula on the basis of an increased number of volunteers serving at 31 December 1994.

6. The net effect of the volume, various cost, inflation, and currency adjustments on the budget for PSDA, excluding support to the operational activities of the United Nations, is an upward adjustment of $2.8 million to a new total of $77.5 million. In addition to the small volume adjustment for UNV, this increase is mainly the result of an upward adjustment for UNV for currency in view of the depreciation of the dollar against the Swiss franc.

7. The total revised estimates against resources of UNDP thus amount to $549.6 million, a figure that is $12.0 million, or 2.1 per cent, less than the original approved 1994-1995 estimates.

8. With regard to the Funds, the revised 1994-1995 estimates incorporate downward volume adjustments for UNCDF, UNFSTD/UNRFNRE, UNSO and UNIFEM. In the case of UNIFEM, the adjustment is in line with the proposals made by the Administrator in the context of the review by the Executive Board of the financial and administrative situation of UNIFEM. The net effect of the volume, various cost, inflation and currency adjustments on the total combined revised estimates for the Funds is a downward adjustment of $3.7 million. Compared to the original 1994-1995 estimates, the newly revised estimate of $24.8 million represents a reduction of $5.9 million, or 19.3 per cent.

2. The 1996-1997 budget estimates

(a) Overall context and strategy

9. In addition to the new successor programming arrangements adopted by the Executive Board in June 1995, the Administrator's 1996-1997 biennial budget proposals represent a second important component of the strategic response of UNDP to a changing environment. UNDP is now an organization in the midst of extensive and rapid reform. The positive results of such change should, in the opinion of the Administrator, not be underestimated. Today, the principal challenge facing UNDP is to accelerate the work already begun in translating the new UNDP mandate into practice.

10. The adoption by the Executive Board of the Initiatives for change (DP/1994/39) has set a framework for planning and change management in UNDP. This framework has been developed into three primary goals and four focus areas. As a statement of corporate policy, endorsed by the Board, the framework indicates basic principles on the basis of which the distribution of budget resources can be reviewed.

11. Within the overall context of its mission to assist programme countries in their endeavour to achieve sustainable human development (SHD), UNDP pursues three priority objectives, which are: (a) to strengthen international cooperation for SHD and serve as a major substantive resource for its achievement; (b) to help the United Nations family, at its request, to become a unified and powerful force for SHD; and (c) most important, to focus UNDP strengths and assets to make the maximum contribution to SHD in the countries that it serves.

12. Important principles and considerations flow from these priority objectives and should be taken into account in the review of UNDP operations in general and, consequently, the present budget proposals in particular. The most important principles and considerations are: (a) the operationalization of SHD in the four focus areas of the Programme (poverty elimination, environmental

regeneration, job creation, and the advancement of women); (b) the strengthening of the role, relations and services of UNDP within the United Nations system, chiefly through the resident coordinator function; (c) the development of at least minimally adequate substantive capacity in areas of priority concerns; (d) the development of adequate capacity relating to public information and communication and resource mobilization; (e) maintaining country presence to the extent possible - although universality of presence should not imply universality of structure; (f) maximizing resources by placing capacities and functions in the most optimal location through decentralization and out-sourcing; (g) maximizing benefits through improved management of communications and information; (h) maximizing staff resources through improved and professional human resource management, including training, recruitment, transition and out-placement; and (i) safeguarding the Administrator's accountability at all times, including his accountability for all funds and programmes under his authority.

13. Overall resource constraints make it essential to contain biennial budget expenditures and to allocate resources selectively and strategically. The Administrator's main objective for following this policy is to maximize the resources that are available for programme and programme support activities. Against this background, the Administrator is proposing the implementation of a budget strategy that achieves a volume reduction of $52.0 million, or approximately 11 per cent, in the gross core biennial budget.

14. The 1996-1997 proposals should be viewed in the context of reductions implemented in 1992-1993 and 1994-1995. The total reduction in the core budget, including support to the operational activities of the United Nations, amounts to $105 million since 1992. With regard to core staff positions, headquarters will have been reduced by 31 per cent, and country offices by 11 per cent since 1992.

(b) Financial summary

15. The 1996-1997 budget estimates for core activities, including the support to the operational activities of the United Nations, amount to $470.5 million gross, and $432.5 million net. By way of comparison, the current appropriation level for the 1994-1995 core budget is $472.0 million gross, and $435.3 million net.

16. Major volume features are as follows:

(a) The overall volume reduction amounts to $52.0 million; the headquarters reduction amounts to $14.8 million while the reduction for country offices amounts to $37.2 million;

(b) The reduction in headquarters includes the elimination of 20 Professional and 30 General Service posts. The total reduction of posts is 10.4 per cent. The post reduction in country offices is 8.4 per cent and includes

the phasing-out of 85 international Professional and 229 General Service posts. The reduction in international Professional posts is partly offset by an increase of 20 national Professional posts. The above changes incorporate the Administrator's proposals pertaining to the Regional Directorate for Europe and the Commonwealth of Independent States.

17. Cost adjustments relating to the budget for core activities and support to the operational activities of the United Nations amount to $50.5 million, or approximately 12 per cent for the two-year period. These adjustments include, together with various cost and currency adjustments, the impact of global inflation projected to be 5.2 per cent per year, resulting in $45.1 million for the biennium.

18. The proposed budget for PSDA amounts to $83.6 million. Volume increases in some subcomponents are largely offset by volume reductions and cost savings in other subcomponents. One of the increases relates to the newly established Office of United Nations System Support and Services (OUNS). The Administrator established this office in response to the request by the Secretary-General to ensure policy coherence and enhanced coordination of operational activities for development. The Administrator proposes that the costs of OUNS be reflected under the appropriation line "Support to the operational activities of the United Nations." In the case of UNV, cost savings resulting from the move to Bonn are fully incorporated in the 1996-1997 proposals. The net effect on PSDA of remaining cost adjustments for currency and inflation is an increase of $6.0 million. Of this amount, $4.7 million is attributable to inflation.

19. With regard to the Funds, the Administrator proposes volume reductions for UNCDF, UNFSTD and UNRFNRE, and UNIFEM. The reduction proposed for UNCDF flows from an organizational restructuring undertaken on the basis of a review of the UNCDF organizational structure and business processes. In the case of UNFSTD/UNRFNRE, the reduction represents a technical adjustment relating to the reductions that were implemented during 1994.

20. The budget estimates for UNIFEM are in line with the outcome of the review by the Executive Board of the financial and administrative situation of the Fund (decision 95/18).

Table I. Revised 1994-1995 and proposed 1996-1997 biennial budget estimates showing gross, income and net estimates, by appropriation line

(Thousands of United States dollars)

Source of funds/appropriation	1994-1995 Approved appropriations	1994-1995 Increase/(decrease) Volume	1994-1995 Increase/(decrease) Cost	1994-1995 Increase/(decrease) Total	1994-1995 Revised estimates	1996-1997 Increase/(decrease) Volume	1996-1997 Increase/(decrease) Cost	1996-1997 Increase/(decrease) Total	Total 1996-1997 estimates
I. RESOURCES of UNDP									
A. UNDP core activities									
Headquarters	148,903.3	-	(334.8)	(334.8)	148,568.5	(14,847.5)	8,526.6	(6,320.9)	142,247.6
Country offices a/	324,576.7	-	(1,113.9)	(1,113.9)	323,462.8	(37,162.9)	41,962.7	4,799.8	328,262.6
Gross UNDP core activities	473,480.0	-	(1,448.7)	(1,448.7)	472,031.3	(52,010.4)	50,489.3	(1,521.1)	470,510.2
Estimated income b/	(36,700.0)	-	-	-	(36,700.0)	(1,300.0)	-	(1,300.0)	(38,000.0)
Net UNDP core activities	436,780.0	-	(1,448.7)	(1,448.7)	435,331.3	(53,310.4)	50,489.3	(2,821.1)	432,510.2
B. Programme support and development activities									
Support to the operational activities of the United Nations a/	-	-	-	-	-	2,425.0	22.1	2,447.1	2,447.1
Programme development activities a/	25,914.7	-	65.9	65.9	25,980.6	2,373.2	2,158.7	4,531.9	30,512.5
Project/programme implementation gross/net appropriations									
DSS	6,225.0	-	-	-	6,225.0	-	998.4	998.4	7,223.4
IAPSO	5,925.9	-	214.4	214.4	6,140.3	(1,934.2)	356.5	(1,577.7)	4,562.6
UNV	31,241.6	209.7	2,169.2	2,378.9	33,619.9	(1,216.7)	366.3	(850.4)	32,769.5
National execution	3,149.0	-	123.4	123.4	3,261.4	400.0	168.9	568.9	1,832.3
Total project/programme implementation services	46,531.9	209.7	2,507.0	2,716.7	49,248.6	(2,750.9)	1,890.1	(860.8)	48,387.8
Programme support	2,300.0	-	-	-	2,300.0	-	-	-	2,300.0
Total programme support and development activities	74,746.6	209.7	2,572.9	2,782.6	77,529.2	2,047.3	4,070.9	6,118.2	83,647.4
C. Total resources of UNDP									
Gross appropriations	548,226.6	209.7	1,124.2	1,333.9	549,560.5	(49,963.1)	54,560.2	4,597.1	554,157.6
Estimated income	(36,700.0)	-	-	-	(36,700.0)	(1,300.0)	-	(1,300.0)	(38,000.0)
Net appropriations	511,526.6	209.7	1,124.2	1,333.9	512,860.5	(51,263.1)	54,560.2	3,297.1	516,157.6
II. RESOURCES OF FUNDS:									
UNCDF	11,778.9	(186.8)	(940.2)	(1,127.0)	10,651.9	(2,230.2)	638.9	(1,591.3)	9,060.6
UNFSTD and UNRFNRE	2,357.0	(846.7)	142.8	(703.9)	1,653.1	(674.0)	151.0	(523.0)	1,130.1
UNSO	7,779.0	(483.6)	(680.6)	(1,164.2)	6,614.8	-	627.2	627.2	7,242.0
UNIFEM	6,614.3	(397.9)	(304.0)	(701.9)	5,912.4	(106.7)	(588.9)	(695.6)	5,216.8
Total resources of Funds	28,529.2	(1,915.0)	(1,782.0)	(3,697.0)	24,832.2	(3,010.9)	828.2	(2,182.7)	22,649.5
III. GRAND TOTAL b/									
Gross appropriations	576,755.8	(1,705.3)	(657.8)	(2,363.1)	574,392.7	(52,974.0)	55,388.4	2,414.4	576,807.1
Estimated income	(36,700.0)	-	-	-	(36,700.0)	(1,300.0)	-	(1,300.0)	(38,000.0)
Net UNDP appropriations	540,055.8	(1,705.3)	(657.8)	(2,363.1)	537,692.7	(54,274.0)	55,388.4	1,114.4	538,807.1

a/ 29 per cent of this line relates to support to operational activities of the United Nations, and is, as such, reflected under the PSDA component in the appropriation decision table, combined with the budget relating to OUNS.

b/ 1996-1997 income estimates include $37.7 million from host government contributions towards local office costs.

c/ Includes costs relating only to OUNS (see footnote a/).

d/ Includes: BPPS substantive capacity, human development report, development studies, TCDC, economist programme, and national advisors on sustainable development and HIV/AIDS.

e/ Not included in the approved appropriations is the amount of $31,126,200 in respect of UNOPS (see paragraph 28).

B. Composition of UNDP budget estimates

21. Graph I.1 shows the established appropriation structure and the relative distribution of resources between its two main components: (a) core and (b) programme support and development activities. The graph also reflects the relative distribution among the different appropriation lines within the main components.

22. By its decision 93/35 of 18 June 1993, the Governing Council took note of the Administrator's estimate that 29 per cent of the country office workload relates to support to the operational activities of the United Nations as a whole. The Council endorsed the Administrator's proposal to charge the full costs of such support to the UNDP budget but to reflect these separately by introducing a new appropriation line entitled "Support to the operational activities of the United Nations" under the PSDA component of the budget.

23. Graph I.2 shows the distribution of total Professional posts (international and national) among the main organizational entities. The graph covers all posts, i.e., those that relate to core activities and those that relate to programme support and development activities. The total number of Professional posts proposed in 1996-1997 is 1187, of which 619 are international Professional, and 568 national Professional (see annex II, table 9).

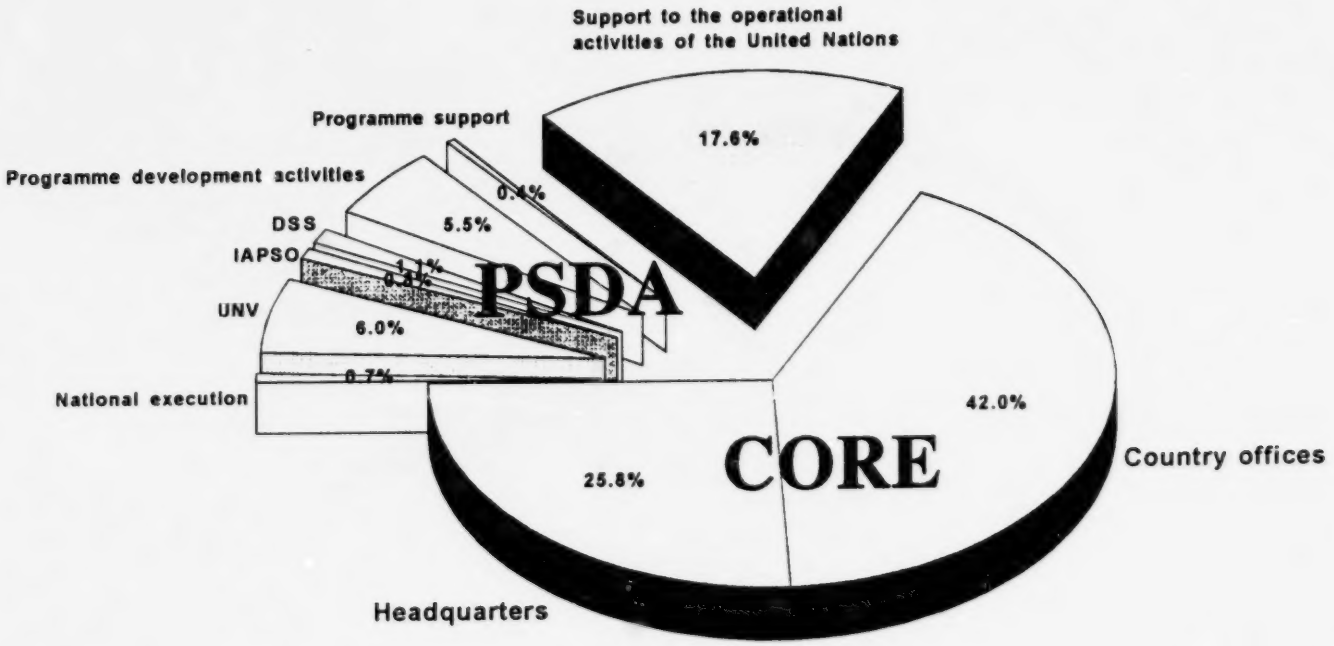
24. An overview of the breakdown of the UNDP core budget (including support to the operational activities of the United Nations system) in terms of number of posts as well as expenditure is provided in graphs I.3 to I.6. Graph I.3 shows that 88 per cent of UNDP posts funded from the core budget are located in the country offices, and, as can be seen from graph I.4, almost 70 per cent of the core budget is spent by the country offices.

25. Graph I.5 shows the distribution of biennial budget expenditure by main categories. Staff costs constitute 72 per cent of all expenditure. Graph I.6 provides a breakdown of the general operating expenditure, which is presented as one of the main categories in Graph I.5. As indicated, 71 per cent of general operating expenditure relate to premises and communications.

Graph I.1

UNDP appropriation structure

Main components and appropriation lines

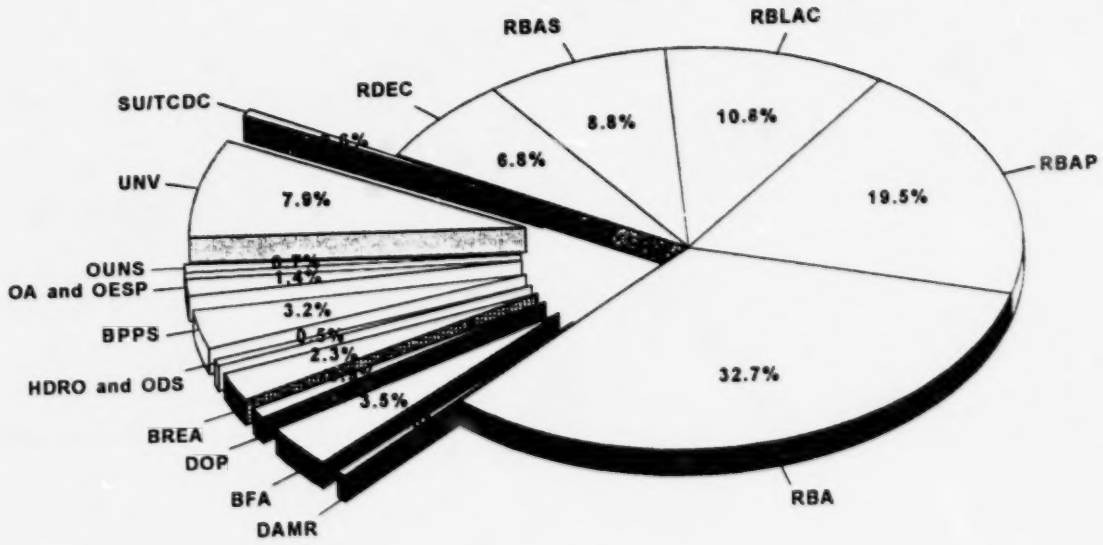


Based on 1996-1997 proposed budget estimates

Graph I.2.

UNDP biennial budget

Relative distribution of Professional posts (international and national)

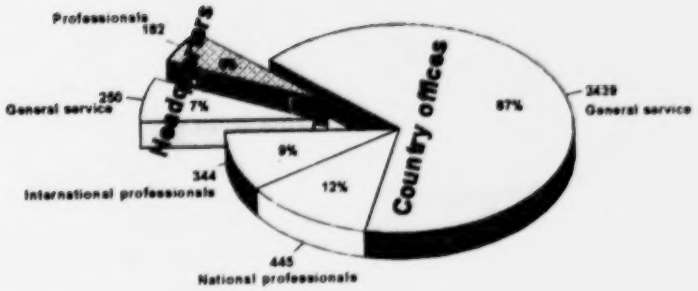


Core and programme support and development activities
(based on 1996-1997 budget proposals)

Graph I.3.

UNDP biennial budget

Distribution of posts between headquarters and country offices

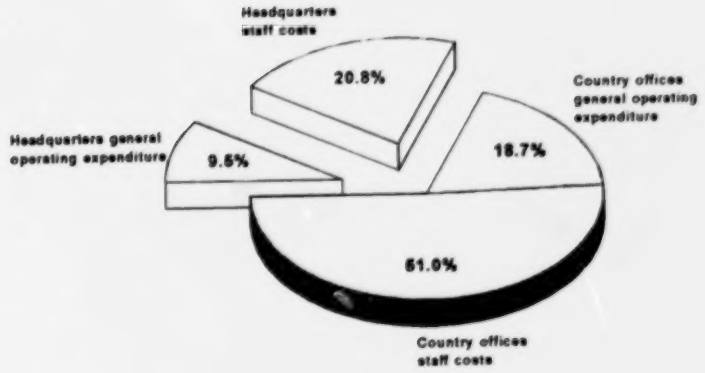


Core activities and support to the operational activities of the United Nations (based on 1996-1997 budget proposals)

Graph I.4.

UNDP biennial budget expenditure

Distribution between headquarters and field

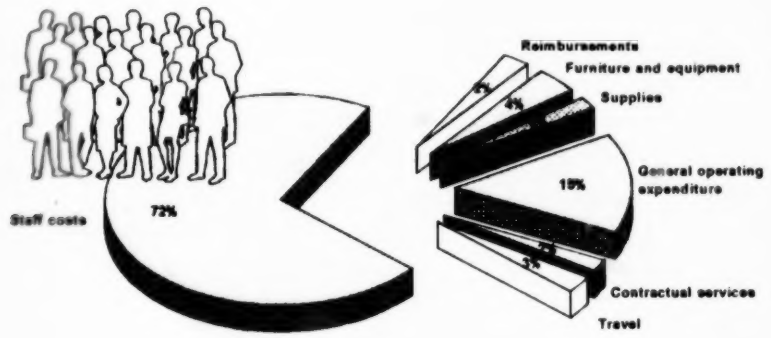


Core activities and support to the operational activities of the United Nations (based on 1996-1997 budget proposals)

Graph I.5.

UNDP biennial budget expenditure

Distribution by main categories

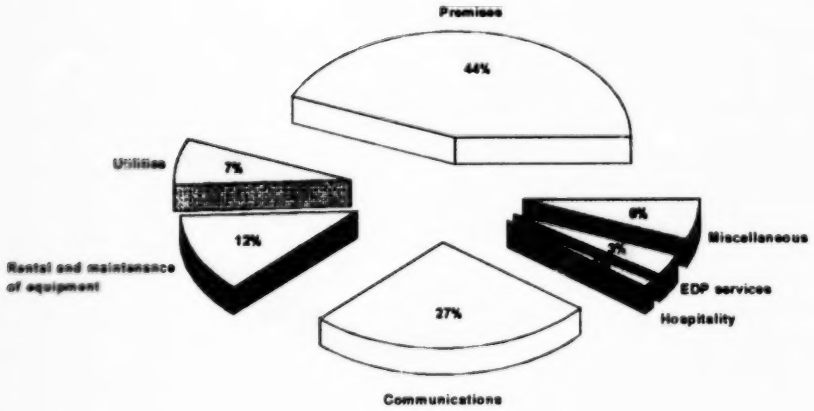


Core activities and support to the operational activities of the United Nations (based on 1996-1997 budget proposals)

Graph I.6

UNDP biennial budget expenditure

General operating expenditure



Core activities and support to the operational activities of the United Nations (based on 1996-1997 budget proposals)

II. PRESENTATION

26. The Administrator does not, at this stage, propose material changes in the presentation of the 1994-1995 revised budget estimates and the 1996-1997 proposed budget estimates. A number of presentational changes were approved by the Governing Council in decision 93/35 of 18 June 1993 in the context of the original 1994-1995 budget estimates. Work is under way on the harmonization of budget presentations in accordance with Executive Board decision 94/30 of 10 October 1994. This is further reviewed below.

27. The Administrator will make available to all members of the Executive Board and of the Advisory Committee on Administrative and Budgetary Questions, supplementary information as referred to in paragraphs 3 and 4 of Governing Council decision 91/46. This supplementary information provides the unit-level detail that is presented at an aggregate level in the present document. Following this principle, the Administrator has included the detailed information on host government obligations towards local office costs in the supplementary information. The supplementary information consists of tables only. Any significant unit-level changes or adjustments requiring explanation or justification are discussed in the present document. The supplementary information also includes data regarding project-funded posts at headquarters by source of funding, in pursuance of paragraph 4 of Council decision 91/46.

28. In accordance with paragraph 4 of Executive Board decision 94/29 of 10 October 1994, and paragraph 6 of decision 94/32 of 10 October 1994, the biennial budget estimates of the United Nations Office for Project Services will be presented separately from those of UNDP, effective 1 January 1995. All relevant tables and references in the present document have, therefore, been adjusted accordingly; excluded from the 1994-1995 approved appropriations is the amount of $31,126,200.

29. In its decision 93/35 of 18 June 1993, the Governing Council appropriated a distinct and separate allocation for the UNDP presence in the Commonwealth of Independent States and the Baltic States. This allocation has been reflected in a separate line under the Regional Directorate for Europe and the Commonwealth of Independent States. For the revised 1994-1995 and proposed 1996-1997 budget, the Administrator proposes that the budget estimates for the Commonwealth of Independent States and Baltic States be presented as an integral part of the overall budget estimates in a manner that is consistent with the presentation of budget estimates for regions in general and country offices in particular.

30. Within its appropriation structure, UNDP includes distinct appropriations for the resources of certain funds that are administered by UNDP (the Funds). Currently, these include UNCDF, UNRFNRE/UNFSTD, UNSO, and UNIFEM. The budget of each fund, as reviewed and approved by the Executive Board, relates to its operational and administrative activities or, in a certain sense, its core budget. The activities of the Funds are financed through independent contributions.

31. With the exception of the adjustments indicated above, the budget proposals are presented in the same form and manner as for the 1994-1995 budget.

Harmonization of budget presentations

32. In its decision 94/30 of October 1994, the Executive Board requested the Administrator and the Executive Director of UNFPA to cooperate with other United Nations programmes and funds to work towards harmonizing their presentations of budgets and accounts with a view to achieving common definitions and obtaining a higher degree of financial transparency and comparability.

33. At the annual session 1995 of the Executive Board, the Administrator provided a short status report on the joint initiatives taken by UNDP, UNFPA and UNICEF (DP/1995/29 of 15 March 1995). The Board subsequently took note of the report (decision 95/24). Some members expressed concern regarding the apparent lack of progress in the harmonization of budget presentations.

34. The Administrator wishes to reconfirm his full commitment to contributing towards the harmonization of budget presentations. At the same time, the Administrator must draw attention to the complexities involved. Differences exist between techniques and approaches that are the result of a variety of factors, such as the structure and size of an agency, the procedures of its legislative body and the nature of its programmes. The differences are thus both of a conceptual and a practical nature, and require sufficient time for participating agencies to elaborate meaningful proposals. The Administrator therefore proposes to take up the matter in detail at the third regular session 1996 of the Executive Board. The Administrator proposes that this be done on the basis of a report by the participating agencies.

35. The existing UNDP budget presentation has been developed over the years in close consultation with the Governing Council and ACABQ. Documents DP/1991/49 and DP/1993/45 deal extensively with the development of, and the rationale behind, the current presentation. The Administrator looks forward to a continuation of the constructive dialogue that UNDP has enjoyed in the past.

III. METHODOLOGY

36. The methodology used to prepare the estimates remains the same as that applied for the original and revised estimates pertaining to every biennial budget since 1984. The approach involves several sequential steps in calculating the estimates. The results of each of these steps is reflected as a separate element in the budget presentation. The Administrator continues to believe that the methodology used provides the Executive Board with a comprehensive and transparent overview of the UNDP biennial budget. This is without prejudice, however, to changes that may be considered in the context of the harmonization of budget presentations referred to above.

37. A summary of these steps is provided in annex I to the present document. Tables IV.1. and VI.2. illustrate the application of the methodology to the present estimates.

IV. REVISED BUDGET ESTIMATES FOR THE 1994-1995 BIENNIUM: RESOURCES OF UNDP

38. The revised budget estimates for the 1994-1995 biennium are reviewed in the paragraphs below. The review is organized following the order of main components of the appropriation structure, as reflected in table IV.1. For ease of review, the part of the field budget relating to the support to the operational activities of the United Nations is discussed together with the core budget and is not reflected separately in the accompanying tables.

A. Core activities

1. Realignments and adjustments

39. In his report on the revised budget estimates for the biennium 1994-1995 (DP/1994/35 and Corr.1), the Administrator informed the Executive Board of some institutional realignments and adjustments that he had implemented within the existing budgetary resources. The realignments and adjustments were reflected in the report of the Administrator on Initiatives for change (DP/1994/39). They are now incorporated in the present revised 1994-1995 budget estimates and in the organizational diagram. The realignments and adjustments are fully consistent with the strategic framework that also forms the basis for the 1996-1997 budget proposals. A brief description is provided in the following paragraphs and summarized in table IV.2.

Table IV.1. Proposed changes in the gross budget estimates for the 1994-1995 biennium, indicating amounts attributable to volume and category of cost

(Thousands of United States dollars)

Source of funds/ appropriation line	1994-1995 Original approved appropriations Decision 93/35	1994-1995 Approved appropriations Decision 94/29	Volume increase/ decrease	Cost increase/(decrease) Various cost adjustments	Currency adjustment	Inflation adjustment	Total cost adjustment	Revised 1994-1995 estimates
I. RESOURCES OF UNDP								
A. UNDP core activities								
Headquarters	149,405.4	148,903.3	-	68.4	449.7	(852.9)	(334.8)	148,568.5
Country offices a/	316,741.9	324,576.7	-	(20.8)	1,568.1	(2,661.2)	(1,113.9)	323,462.8
Total UNDP core	486,147.3	473,480.0	-	47.6	2,017.8	(3,514.1)	(1,448.7)	472,031.3
B. Programme support and development activities								
Programme development activities b/	25,989.5	25,914.7	-	44.6	53.9	(32.6)	65.9	25,980.6
Project /programme implementation services								
DSS	6,225.0	6,225.0	-	-	-	-	-	6,225.0
IAPSO	6098.5	5,925.9	-	(98.2)	317.8	5.2	214.4	6,140.3
UNV	31,707.3	31,241.0	209.7	600.0	2,087.1	(517.9)	2,169.2	33,619.9
National execution	3,161.5	3,140.0	-	152.8	-	(29.4)	121.4	3,261.4
Total project/programme implementation services	47,192.3	46,531.9	209.7	654.6	2,409.9	(552.5)	2,507.0	49,248.6
Programme support	2,300.0	2,300.0	-	-	-	-	-	2,300.0
Total programme support and development activities	75,481.8	74,746.6	209.7	699.2	2,458.8	(585.1)	2,572.9	77,529.2
C. Total resources of UNDP	561,629.1	548,226.6	209.7	746.8	4,476.6	(4,099.2)	1,124.2	549,560.5
II. RESOURCES OF FUNDS								
UNCDF	11,824.1	11,778.9	(186.8)	(898.5)	-	(41.7)	(940.2)	10,651.9
UNFSTD and UNRFNRE	4,243.4	2,357.0	(846.7)	152.6	-	(9.8)	142.8	1,653.1
UNSO	8,054.9	7,779.0	(483.6)	(707.7)	58.3	(31.2)	(680.6)	6,614.8
UNIFEM	6,640.0	6,614.3	(197.9)	(285.0)	-	(19.0)	(304.0)	5,912.4
Total resources of Funds	30,762.4	28,529.2	(1,915.0)	(1,738.6)	58.3	101.7	(1,782.0)	24,832.2
III. TOTAL APPROPRIATIONS c/	592,391.5	576,755.8	(1,705.3)	(991.8)	4,534.9	(4,200.9)	(657.8)	574,392.7

a/ 29 per cent of this line relates to support to operational activities of the United Nations, and is, as such, reflected under the PSDA component in the appropriation decision table, combined with the budget relating to OUNS.

b/ Includes: BPPS substantive capacity, human development report, development studies, TCDC, economist programme, and national advisors on sustainable development and HIV/AIDS.

c/ Not included are the amounts of $36,029,600 and $31,126,200 in the original approved appropriations (decision 93/35) and the approved appropriations (decision (94/29) respectively with regard to UNOPS (see paragraph 28).

Table IV.2. UNDP staff changes: headquarters
1994/1995 realignments and adjustments

Post level	ASG	D2	D1	P5	P4	P3	P2	Total Professional	General Service principal levels	General Service other levels	Total General Service	GRAND TOTAL
Original 1994-1995 staffing table	8	16	40	66	49	18	5	202	127	153	280	482
Redeployment :												
OESP		1	1	5				7	2	4	6	13
ODS				1				1			0	1
BREA					2			2			0	2
BREA/DRPC			1	1		1		3	1	2	3	6
BPPS/STAPSD		1	1					2	2	1	3	5
PCO			(1)	(2)		(1)		(4)	(1)	(3)	(4)	(8)
DGIP		(1)	(1)	(1)				(3)	(2)	(1)	(3)	(6)
BPPS/CEO		(1)		(4)				(5)	(1)	(3)	(4)	(9)
RBA					(1)			(1)			0	(1)
RBAP					(1)			(1)			0	(1)
RBLAC			(1)					(1)	(1)		(1)	(2)
Net difference	0	0	0	0	0	0	0	0	0	0	0	0
Revised 1994-1995 staffing table	8	16	40	66	49	18	5	202	127	153	280	482

Former PCO: 1 P-5 and 1 GS to OESP; balance to BREA/DRPC.

Former DGIP: 1 P-5 to ODS; balance to BPPS/STAPSD.

Former BPPE/CEO: all posts to OESP.

RBA: 1 P-4 to BREA.

RBAP: 1 P-4 to BREA.

RBLAC: 1 D-1 and 1 GS to OESP.

(a) Bureau for Policy and Programme Support (BPPS)

40. The Bureau for Policy and Programme Evaluation was given a new charter, restructured, and renamed the Bureau for Policy and Programme Support (BPPS) in August 1994. This reflects the redefinition of the Bureau's core mission: to provide policy leadership and support for UNDP country and regional programmes. The evaluation function was transferred to a newly established unit that reports directly to the Administrator. BPPS is constituted as follows: (a) the Directorate, into which the functions of the former Division for Global and Interregional Programmes (DGIP) have been integrated; (b) the Social Development and Poverty Elimination Division (SDPED); (c) the Sustainable Energy and Environment Division (SEED), which comprises GEF, Capacity 21, Montreal Protocol, UNSO and UNRFNRE; (d) the Management Development and Governance Division (MDGD); (e) the Science, Technology and Private Sector Division (STAPSD), which also contains UNFSTD; (f) UNCDF; and (g) the Division for Operational Policies and Procedures (DOPP).

41. Trust funds such as GEF, Capacity 21, Montreal Protocol, and Funds such as UNSO, UNFSTD/UNRFNRE, and UNCDF have been functionally incorporated in BPPS. The Administrator believes that this organizational arrangement greatly facilitates the complementarity among the various funds, and ensures synergy of activity.

(b) Bureau for Resources and External Affairs (BREA)

42. In July 1994, the Bureau for External Relations (BER) was given a new mission, restructured and renamed the Bureau for Resources and External Affairs (BREA). BREA is charged with improving UNDP capacity in resource mobilization, public communication and policy leadership. BREA also consolidates all relationships with the Executive Board. BREA brings together resource mobilization and programme resource planning. Its divisions are constituted as follows: (a) the Directorate, supported by the Inter-Agency Coordination and External Policy Office (ICEPO); the liaison offices as well as the Geneva Office remain in the Directorate; (b) the Division for Resource Planning and Coordination (DRPC), which incorporates most of the functions and resources of the former Policy Coordination Office (PCO); (c) the Division for Resource Mobilization (DRM); (d) the Division of Public Affairs (DPA); (e) the Division of External Relations (DER); and (f) the Executive Board Secretariat.

(c) Office of Evaluation and Strategic Planning (OESP)

43. The Office of Evaluation and Strategic Planning (OESP) was created in November 1994 and reports directly to the Administrator. The evaluation function that was covered under the former BPPE has been transferred to OESP. The Office initiates strategic guidance, option analysis and option development as they relate to UNDP themes and programmes. The strategic planning function supports the development of organizational goals, strategies and plans. It provides the basic conceptual framework for the management of change. OESP acts as secretariat to the Strategy and Management Committee (SMC).

(d) Office of Development Studies (ODS)

44. The Office of Development Studies was established in December 1994 to monitor global policies and trends and to provide policy analysis of options for the international community in international cooperation for development. It helps to expand UNDP participation in global development debates and academic networks, and reports on selected development issues. ODS builds on what was the UNDP Development Studies Programme. In addition to the biennial budget (one Professional and two General Service posts), third-party co-financing also contributes towards the costs of ODS.

45. The realignments and adjustments described in the above paragraphs were implemented within existing resources through formal redeployment. The redeployment of posts is reflected in table IV.2.

(e) Office of United Nations System Support and Services (OUNS)

46. Through a temporary redeployment of existing resources and pending finalization of the 1996-1997 budget proposals, the Office of United Nations System Support and Services (OUNS) started functioning in October 1994. The office was created in response to the request by the Secretary-General for support by the Administrator in ensuring policy coherence and enhanced coordination within the United Nations system itself, and in improving coordination of operational activities for development. The terms of reference of OUNS include: (a) to support the resident coordinator, including the resident coordinator as humanitarian coordinator, to oversee the security and emergency response functions of UNDP, including UNDP in preventive and curative development and (b) to support the Administrator in the responsibility to assist the Secretary-General in ensuring system-wide coordination and policy coherence. OUNS is the focal point for receiving and processing resident coordinator reports. It serves as liaison for UNDP country-level security carried out through the United Nations and is the clearing house for all security-related information on country offices. The Humanitarian Programme has become part of OUNS. As before, it liaises and promotes cooperation with the United Nations Department of Humanitarian Affairs, including provision of disaster-management training. It supports UNDP operational activities requiring emergency response coordination.

(f) Commonwealth of Independent States and Baltic States

47. In the context of the 1994-1995 budget, it was estimated that an amount of $4.8 million was required from the core budget to contribute to the overall financing of the field presence in the Commonwealth of Independent States and the Baltic States. It was estimated that the total gross cost of $7.8 million could be covered from core resources ($4.8 million), contributions by the United Nations relating to offices where UN/DPI staff is assigned ($0.6 million), government contributions towards local office costs ($0.9 million), and

extrabudgetary resources relating to the support to programme activities that are co-financed ($1.6 million).

48. The overall cost estimates were based on a minimum office profile of one international Professional, two national Professionals and four national support staff. The Administrator foresees that the total gross expenditure will remain within the original estimates of $7.8 million. The Administrator anticipates, however, that the amounts that can be generated through cash contributions towards local office costs and extrabudgetary income will fall short of the target. Cash contributions towards local office costs are determined on the basis of established policies. In view of the substantial contributions in kind, mainly in the form of office accommodation, contributions in cash are expected to be less. While an active resource mobilization effort is under way, and co-financing for programme activities has increased, the extrabudgetary support income that such co-financing generates is not sufficient as yet to contribute materially to the financing of the costs of the offices.

49. The Administrator estimates that the shortfall could amount to between $1.5 million and $2.0 million for the 1994-1995 biennium. He proposes that it be covered by general savings from within the 1994-1995 biennial budget, partly from within the existing allocation for the Europe region. The budgetary aspects of the field presence in the Commonwealth of Independent States and Baltic States are further reviewed in the context of the budget proposals for 1996-1997.

B. Programme support and development activities (PSDA)

50. PSDA forms the second main component of the appropriation structure covering UNDP resources. The Administrator has reviewed the different sub-components of PSDA in a manner that is similar to the review of the core component. Adjustments are reflected in table IV.1. Additional information pertaining to some of the subcomponents are provided below. As mentioned in paragraph 28, the budget estimates of UNOPS are no longer included in the UNDP biennial budget presentation.

United Nations Volunteers (UNV)

51. In its decision 94/29, the Executive Board approved an appropriation level of $31.2 million for UNV for the 1994-1995 biennium. This is composed of the following elements:

(a) A core budget for UNV headquarters of $19.7 million. A staffing level of 25 Professional and 39 General Service posts was approved;

(b) A supplementary budget for UNV headquarters of $7.8 million. This was based on the staffing formula approved by the Governing Council, which permitted the establishment of a staffing unit for every 70 volunteers over a base of 1000 in the field as at 31 December of the previous year. A staffing unit can be composed of either one Professional and one General Service post, or

of three General Service posts. In 1994 (as of 31 December 1993), there were 1795 volunteers in the field, that is 795 over the base of 1000. The total number of posts was, therefore, revised to seven Professional, and twenty General Service accordingly. This represented a decrease of close to 4 staffing units compared to the original approved 1994-1995 budget. This downward adjustment was incorporated in the 1994-1995 revised budget estimates that were approved by the Board in decision 94/29 of 10 October 1994;

(c) A field budget for 1994-1995 of $3.7 million relating to the UNV programme officers in country offices. Cost estimates are currently $25,000 per year for UNV programme officers and $7,000 per year for UNV programme assistants.

52. As of 31 December 1994, there were 1854 UNV specialists in the field, that is, 854 over the base of 1000. This represents an increase of 59. Accordingly, the Administrator is adjusting the UNV supplementary budget upwards by $0.2 million, or one Professional and one General Service post. The overall revised supplementary staffing table for 1994-1995 will therefore be eight Professional posts and 21 General Service posts. A technical adjustment of the same amount is added in the first year of the new biennium (1996) to ensure that the full amount of this modest increase is reflected in the 1996-1997 estimates.

C. Cost adjustments

53. Table IV.1 provides an overview of the revised 1994-1995 biennial budget estimates. It shows gross estimates for each of the appropriation lines and provides the breakdown of total adjustments in amounts that are attributable to changes in volume and cost. Changes in costs comprise adjustments that relate to mandatory cost changes, currency movements and inflation.

54. Total cost adjustments for the 1994-1995 core estimates, comprising mostly currency and inflation adjustments, amount to a decrease of $1.4 million for UNDP core activities. This represents a further decrease of 0.3 per cent over the current 1994-1995 approved appropriations. The newly revised estimates are $14.1 million, or 3 per cent, lower than the original 1994-1995 estimates approved in decision 93/35 of 18 June 1993.

55. With regard to currency adjustments, the impact of the difference in exchange rates between May 1994, when the current approved appropriations for 1994-1995 were revised, and April 1995, the basis for the current revision, results in an increase of $2.0 million. A significant portion of this increase is due to the depreciation of the United States dollar against the CFA franc.

56. The currency increase is partially offset by a downward adjustment of $3.5 million in inflation. Of this, $0.8 million is a result of recosting the headquarters estimates using the revised New York inflation rate of 2.6 per cent, as established by the United Nations, and $2.7 million is due to an overall reduction in the field inflation.

57. Similar adjustments were applied to the programme support and development activities, resulting in a total increase of $2.6 million. This comprises $0.7 million in staff cost adjustments, and $2.5 million in currency adjustments, offset by a downward adjustment of $0.6 million in inflation. The upward adjustment for currency relates mainly to UNV as a result of the depreciation of the United States dollar against the Swiss franc.

V. REVISED BUDGET ESTIMATES FOR THE 1994-1995 BIENNIUM: RESOURCES OF FUNDS

58. The Administrator has reviewed UNCDF, UNRFNRE/UNFSTD, UNSO and UNIFEM in a similar way. The adjustments are reflected in table IV.1. Following are additional comments.

A. United Nations Capital Development Fund (UNCDF)

59. In 1994, UNCDF undertook an internal review of its organizational structure and business processes to explore ways for improving efficiency, as reported in document DP/1995/23. Based on the results of this review, an organizational restructuring was initiated. The responsibility for policy development and resource mobilization now fall directly under the Executive Secretary. Two programme divisions have been combined into one programme section under the Deputy Executive Secretary in the capacity of Head of Operations.

60. The results of the overall rationalization and streamlining effort enable UNCDF to reduce its biennial budget expenditure already during the 1994-1995 period. Since the launching of the internal review, most of the posts that were vacant at the time have been frozen (one Country Officer post (P-4) and one General Service post under the regular budget and two General Service posts under the supplementary budget). The budgetary implications of this are reflected in the revised 1994-1995 estimates. Further downward adjustments are reviewed in paragraphs 184 to 186 below in the context of the 1996-1997 estimates.

B. Office to Combat Desertification and Drought (UNSO)

61. UNSO undertook cost-cutting measures starting in 1994-1995. Staff costs have been adjusted in line with the expenditure pattern, and general operating expenses have been reduced to a minimum. This has resulted in a revised 1994-1995 estimate for the UNSO administrative budget of $6.6 million, which is $1.2 million lower than the approved 1994-1995 appropriations of $7.8 million. The reduced 1994-1995 revised budget has been used as the base for the 1996-1997 biennial estimates. These proposals are fully discussed in paragraphs 192-195 below.

C. United Nations Development Fund for Women (UNIFEM)

62. At its annual session 1995, the Executive Board had before it the report of the Administrator on UNIFEM (DP/1995/33). As requested by the Board in its decision 95/10, the report was prepared by the Administrator in cooperation with the Director of UNIFEM, and in consultation with the UNIFEM Consultative Committee. The report provided a detailed analysis of, and the reasons for, the financial and administrative situation of UNIFEM, and suggested steps to strengthen the financial, administrative and managerial oversight of the Fund as well as a plan to build a sound basis for future operations.

63. In decision 95/18 of 14 June 1995, the Executive Board outlined specific steps that need to be taken to address the situation. In this connection, the Board endorsed the resource planning table as contained in table 3 of document DP/1995/33. An updated version of this table was made available to the Board in conference paper DP/1995/CRP/9 of 9 June 1995. In reviewing the financial situation, the Board indicated that UNIFEM should reduce administrative expenditure further to a level more consistent with its project activities while bearing in mind the need to retain a critical capacity for the Fund. It should be noted that the revised 1994-1995 budget estimates already include reductions. Further reductions are included in the 1996-1997 biennium. These proposals are discussed in paragraphs 188 to 190 below.

VI. BUDGET ESTIMATES FOR THE 1996-1997 BIENNIUM: RESOURCES OF UNDP

A. General

1. Overall context and strategy

64. In its decision 94/14 of 10 June 1994, the Executive Board approved the main elements contained in the report of the Administrator on Initiatives for change (DP/1994/39). The Board encouraged the Administrator to continue his efforts to focus UNDP programme activities by implementing the three goals and four priority areas outlined in the report. The Administrator presented a report on the progress made in the implementation of decision 94/14 (DP/1995/31) to the Board at its annual session 1995. The Board adopted decision 95/22 in this regard. As mentioned at that time, the Administrator believes that UNDP is now an organization in the midst of extensive, rapid reform and downsizing, and that the impact of such change should not be underestimated. Today, the principal challenge facing UNDP is to accelerate the work already begun in translating the new UNDP mandate into practice.

65. With regard to the allocation of UNDP resources, the Administrator referred in document DP/1995/31 to the development of the framework for the next programming period and the 1996-1997 biennial budget proposals. Subsequently, the Executive Board adopted decision 95/23 on successor programming arrangements.

66. The present biennial budget proposals are thus presented at a time of strategic change in UNDP's mission, goals and areas of focus. At the same time, the outlook for growth in core resources is uncertain. The Administrator therefore believes that UNDP must continue to pursue a policy of budgetary restraint with no growth in nominal terms. The Administrator's main objective for following this policy is to maximize the resources that are available for programme and programme support purposes. The biennial budget proposals are therefore consistent with the proposals made in the overall context of the next programming period (DP/1995/32 and Executive Board decision 95/23).

67. Maintaining the biennial budget at approximately the same level in nominal terms implies that inflation and mandatory cost increases must be absorbed. The reductions incorporated in the 1996-1997 biennial budget and expressed in 1994-1995 prices are therefore in the order of $52 million, or approximately 11 per cent of the total core budget, including support to operational activities of the United Nations.

68. The administrator wishes to emphasize that the reductions proposed for the 1996-1997 biennium follow those that were introduced in 1992-1993 and 1994-1995. The 1992-1993 core budget compared to 1990-1991 was reduced in real terms by $12 million, or 3 per cent. This reduction was achieved mainly through an across-the-board reduction of 15 per cent of core staff positions at headquarters.

69. The reduction in the 1994-1995 biennium for the core budget amounted to $42 million in real terms, or 9 per cent compared to 1992-1993. In monetary terms, headquarters was reduced by 7 per cent, 61 per cent of which was accounted for by reductions in the financial outlay for central services, in particular, in the Bureau for Finance and Administration. Overall, core staff positions at headquarters were reduced by 57, or 11 per cent, bringing the total reduction compared to 1990-1991 to 153, or 25 per cent. The 1994-1995 reductions in the field amounted to 9.5 per cent in monetary terms, with the total number of staff reduced by 302, or 8 per cent.

70. The overall 1996-1997 reduction in the core budget of $52.0 million, or 11.0 per cent, represents post reductions of 50, or 10.4 per cent, at headquarters, and 294, or 8.3 per cent, in the field. The reduction of Professional posts in the country offices is limited to 7.6 per cent. Furthermore, the relative distribution of budget resources between headquarters and the field will have further changed in favour of the field from 32 per cent versus 68 per cent in 1994-1995, to 30 per cent versus 70 per cent in 1996-1997.

2. Resources

71. Table VI.1. illustrates the impact of the 1996-1997 budget proposals in the context of the overall use of UNDP resources, including co-financed activities (cost-sharing and trust funds). The outline of the table is in accordance with the established format.

72. Overall, total programme and project expenditure relating to UNDP core (including cost-sharing), sustainable development programmes, and other trust funds, is projected to grow by approximately 10 per cent per year even though the core programme expenditure component is projected to remain relatively stagnant.

73. The Administrator's budget strategy has enabled budget costs to be contained in nominal terms. The volume cuts in the core budget allow cost and inflation increases covering 1996-1997 to be absorbed within the total amount appropriated for the 1994-1995 core budget. The ratio of the total headquarters and field budgets to total resources is projected to decline from 11.7 per cent in 1994-1995 to 10.1 per cent in 1996-1997.

Table VI.1. Use of UNDP resources, 1994 - 1997

(millions of United States dollars)

Distribution of resources	1994 - 1995 Amount	1994 - 1995 Per cent	1996 - 1997 Amount	1996 - 1997 Per cent
Project costs a/	2,174	66.8	2,616	66.8
Sustainable development programmes and other trust funds b/	317	9.7	441	11.3
Agency support costs and successor arrangements c/	216	6.6	294	7.5
UNDP/PSDA	76	2.3	78	2.0
UNDP support to the operational activities of the United Nations	91	2.8	95	2.4
UNDP budget: Country offices d/	208	6.4	215	5.5
UNDP budget: Headquarters e/	172	5.3	179	4.6
TOTAL	3,254	100.0	3,918	100.0

a/ Includes IPF, IPF add-on, SPR, SMF/LDC, cost-sharing , GCCC, SIS, sectoral support.
b/ Includes programmes funded by GEF, Montreal Protocol, and Capacity 21.
c/ Includes executing agencies; includes support costs relating to co-financed activities.
d/ Includes extrabudgetary resources relating to reimbursement for support to co-financed activities: 1994-1995: $23 million; 1996-1997: $28 million.
e/ Includes extrabudgetary resources relating to reimbursement for support to co-financed activities: 1994-1995: $5.8 million; 1996-1997: $7.0 million.

3. Strategic framework

74. The adoption by the Executive Board of the Initiatives for change has set a framework for planning and change management in UNDP. This framework has been developed into three principal goals and four focus areas. As a statement of corporate policy, the framework indicates basic principles for distributing the organization's budgetary resources. Within the overall context of its mission to assist programme countries in their endeavour to achieve sustainable human development, UNDP pursues three priority objectives, which are to:

(a) Strengthen international cooperation for SHD and serve as a major substantive resource for its achievement;

(b) Help the United Nations family, at its request, to become a unified and powerful force for SHD; and

(c) Most important, focus UNDP strengths and assets to make the maximum contribution to SHD in the countries that it serves.

4. Principles and considerations

75. The strategic planning framework indicates that, at headquarters and in country offices, adjustments should be managed so as to direct resources towards:

(a) The operationalization of SHD in the four focus areas of the Programme; the basic elements of the SHD vision have been accepted and endorsed by recent United Nations system conferences;

(b) The strengthening of the role, relations and services of UNDP within the United Nations system, chiefly through the resident coordinator function, including coordination in emergency-prone countries for preventive and curative development. The capacity to provide services at the country level supports this role;

(c) The development of at least minimally adequate substantive capacity in areas of priority concerns; and

(d) The development of adequate capacity relating to public information and communication and resource mobilization.

76. The strategic planning framework, which forms the basis for annual corporate plans, affirms that the organization's comparative advantage rests on its country office network. UNDP is, above all, a country-based organization. The test of the programme of change under way will be the quality of the support UNDP gives to the programme countries through its country offices. In this connection, the issue of the best location of functions and capacities must be considered. It is essential that the country offices be empowered and configured in such a way as to enable them to support effectively patterns of action within

a strategy that balances advocacy roles for priority themes with operational and service capacity. This implies that adjustments should also be managed towards:

(a) Maintaining country presence to the extent possible; universality of presence does not, however, imply universality of structure, i.e., the typology of offices can differ depending on the activities being supported and their relationship with other offices as a result of clustering and networking;

(b) Maximizing resources by placing capacities and functions in the optimal location through decentralization and out-sourcing;

(c) Maximizing benefits through improved management of communications and information; this plays an essential role in the efficient and effective functioning of the country office network;

(d) Maximizing staff resources through improved and professional human resource management, including training, recruitment, transition and out-placement; in this connection, fairness, equity and transparency must be exercised towards staff during the downsizing process;

(e) Safeguarding the Administrator's accountability at all times, including his accountability for all Funds and Programmes under his authority.

5. Process

77. The process followed in developing the 1996-1997 budget strategy was similar to that followed for previous bienniums. In December 1994, the Budget Strategy Group (BSG) was established under the chairmanship of the Assistant Administrator of the Bureau for Finance and Administration, with the involvement of senior managers. The strategic planning framework has been introduced as a coherent context within which (a) the budget proposals are formulated and presented and (b) follow-up actions are taken to make the implementation of the strategy meaningful and successful. The BSG met on several occasions and focused on issues relating to the overall budget environment, budget trends and elements of a budget strategy, including strategic considerations, cost containment, requirements and presentation. The Group used extensive information on and analyses of all aspects of the biennial budget.

78. Parallel to the BSG meetings, the 1996-1997 budget strategy was also discussed during a senior management retreat in February 1995. The feedback from this retreat formed another important input to the continued work of the BSG. Different scenarios were developed to examine the resource impact of broad strategic choices on the different organizational capacities.

79. Closely related to the issue of organizational capacity is the need for continuous review of functions, functional relationships, relative priorities of functions and, if necessary, elimination of functions. A functional analysis at the highest, aggregate level has been carried out in the form of the UNDP

strategic planning framework. The analysis of functional relationships at other levels is, and should be, a dynamic and continuous process. A number of initiatives are under way in this regard, e.g., in the context of the work of the decentralization initiative and in the context of two major information system development projects (the Integrated Programme Management project (IPM) and the Integrated Management Information System project (IMIS)). Initiatives have also been taken to build an effective functional relationship between BPPS and the regional bureaux. Results of functional analyses in the past have already contributed to the implementation of previous budget strategies and will continue to do so in the future.

80. Following the senior management retreat and taking into account additional concrete and constructive inputs and recommendations from managers, the Administrator carefully reviewed the outcome of the budget strategy process as well as the various scenarios and proposals developed by the BSG. Units were informed of the final decisions. Throughout the process, staff has been kept informed through regular consultations between staff representatives and management. A general staff meeting was convened by the Staff Council in May 1995, at which further background information and clarification on the magnitude and distribution of reductions were provided by management to staff at large.

81. With regard to staff reductions, monetary reduction targets were established for organizational units at the bureau/division level. Managers were responsible for determining, on the basis of standard costs, how best to meet reduction targets through the elimination of a specific number, type and level of posts. Within the overall monetary target, units were asked to make proposals for reclassification of posts if such reclassification would form an integral part of restructuring proposals.

82. The approach for 1996-1997 for regional bureaux and country offices was changed in that monetary reduction targets for headquarters and field were combined into one. In the opinion of the Administrator, it is a sound management principle to allow regional bureaux themselves to determine the most appropriate location of functions and consequent distribution of resources between headquarters and country offices. This approach provides the opportunity to tailor the implementation of adjustments to conditions and circumstances that are specific to the region concerned. Furthermore, the approach allows the further redeployment of resources from headquarters to country offices to be phased according to the progress being made with decentralization, clustering and networking of services and programme-support activities. Improved communication and information management systems and facilities are already available or are being developed. These facilitate decentralization, clustering and networking, and provide opportunities for maximizing the use of existing resources that are located in country offices.

B. Core activities

1. Headquarters

83. Overall, there is a $14.8 million volume reduction at headquarters, as reflected in table VI.2. An overview of the impact of proposed cost reductions on the core staffing table is provided in table VI.3.

84. As mentioned in paragraph 14, the 1996-1997 budget reductions follow those that were implemented in 1992-1993 and 1994-1995. To put the 1996-1997 reductions in context, therefore, table VI.4. shows what the total impact of consecutive downsizing has been compared to the 1990-1991 biennium.

(a) Office of the Administrator

85. No changes are proposed for the Office of the Administrator. Building on the momentum that was created by the budget discussion, the Administrator has initiated further reviews dealing with the organizational structure of UNDP. In an environment in which reform is extensive and rapid, the Administrator continues to explore options that can enhance the communication and development of common approaches among the regional bureaux. The Administrator considers this important for the building of a UNDP that pursues common objectives and similar approaches.

86. In connection with the above, the Administrator has decided to reserve some staff resources (five Professional posts) for subsequent allocation by him, in connection with the change in organizational structure that he foresees will be introduced during the biennium. These resources are reflected separately in table VI.3 and VI.4.

(b) Bureau for Resources and External Affairs (BREA)

87. The restructuring of the former Bureau for External Relations was described in paragraph 42. In view of the current resource situation, the Bureau for Resources and External Affairs was not subject to the same reductions applied to other units. This is consistent with the strategic planning framework, which emphasizes the importance of mobilizing public opinion and additional resources. BREA will implement a limited staff reduction through the elimination of three Professional and four General Service posts. Of these, one Professional post at the D-1 level and one General Service post relate to the Geneva Office. The reduction incorporates the reclassification of two P-4 posts to the P-5 level, and one P-3 post to the P-4 level. The functions proposed for the higher levels are that of: Chief, Media Selection Branch; Chief, Communication and Liaison Branch; and Executive Officer.

Table VI.2. Summary of proposed increase/decrease in the gross budget estimates for the biennium 1996-1997, indicating amounts attributable to category of cost

(Thousands of United States dollars)

Source of funds/ appropriation line	Revised 1994-1995 Estimates	Volume increase/ decrease	Cost increase/decrease: Various cost adjustments	Currency adjustment	Inflation adjustment	Total cost adjustment	Total increase (decrease)	1996-1997 estimate
I. RESOURCES OF UNDP								
A. Headquarters	148,568.5	(14,847.5)	2,494.4	289.7	5,742.5	8,526.6	(6,320.9)	142,247.6
Country offices a/	323,462.8	(37,162.9)	2,521.1	51.5	39,390.1	41,962.7	4,799.8	328,262.6
Total UNDP core	472,031.3	(52,010.4)	5,015.4	341.2	45,132.6	50,489.3	(1,521.1)	470,510.2
B. Programme support and development activities								
UNDP support to United Nations operational activities b/	-	2,425.0	-	-	22.1	22.1	2,447.1	2,447.1
Programme development activities c/	25,980.6	2,373.2	118.9	10.4	2,029.4	2,158.7	4,531.9	30,512.5
Project/programme implementation services								
DSS	6,225.0	-	-	-	998.4	998.4	998.4	7,223.4
IAPSO	6,140.3	(1,934.2)	-	149.5	207.0	356.5	(1,577.7)	4,562.6
UNV	33,619.9	(1,216.7)	(2,063.2)	1,147.9	1,281.6	366.3	(850.4)	32,769.5
National execution	1,263.4	400.0	-	-	168.9	168.9	568.9	1,832.3
Total project/programme implementation services	49,248.6	(2,750.9)	(2,063.2)	1,297.4	2,655.9	1,890.1	(860.8)	48,387.8
Programme support	2,300.0	-	-	-	-	-	-	2,300.0
Total programme support and development activities	77,529.2	2,047.3	(1,944.3)	1,307.8	4,707.4	4,070.9	6,118.2	83,647.4
C. Total resources of UNDP	549,560.5	(49,963.1)	3,071.2	1,649.0	49,840.0	54,560.2	4,597.1	554,157.6
II RESOURCES OF FUNDS								
UNCDF	10,651.9	(2,230.2)	233.3	-	405.6	638.9	(1,591.3)	9,060.6
UNFSTD and UNRFNRE	1,653.1	(674.0)	103.3	-	47.7	151.0	(523.0)	1,130.1
UNSO	6,614.8	-	180.6	24.2	422.4	627.2	627.2	7,242.0
UNIFEM	5,912.4	(106.7)	(873.1)	-	284.2	(588.9)	(695.6)	5,216.8
Total resources of Funds	24,832.2	(3,010.9)	(355.9)	24.2	1,159.9	828.2	(2,182.7)	22,649.5
III TOTAL APPROPRIATIONS d/	574,392.7	(52,974.0)	2,715.3	1,673.2	50,999.9	55,388.4	2,414.4	576,807.1

a/ 29 per cent of this line relates to support to operational activities of the United Nations, and is, as such, reflected under the PSDA component in the appropriation decision table, combined with the budget relating to OUNS.

b/ Only includes costs relating to OUNS (see footnote a/).

c/ Includes: BPPS substantive capacity, human development report, development studies, TCDC, economist programme, and national advisors on sustainable development and HIV/AIDS.

d/ Not included in the approved appropriations is the amount of $31,126,200 in respect of UNOPS (see paragraph 28).

Table VI.3. Core activities: staff changes at headquarters

Post level	A AA S1	D2	D1	P5	P4	P3	P2	Total Profes-sional	General Service (principal levels)	General Service (other levels)	General Service (manual levels)	Total General Service	GRAND TOTAL
Revised 1994-1995 staffing table	8	16	40	66	49	18	5	202	127	147	6	280	482
Proposed reductions													
OA								0				0	0
ODS				(1)				(1)				0	(1)
DAMR				(1)				(1)				0	(1)
DOP			(1)		(1)			(2)	(2)	(5)		(7)	(9)
BFA					(2)		(2)	(4)	(5)	(2)	(2)	(9)	(13)
RBA					(6)			(6)	(1)	(4)		(5)	(11)
RBAP			(1)	(1)	(3)			(5)		(4)		(4)	(9)
RBAS								0		(1)		(1)	(1)
RBLAC			(1)		(1)			(2)				0	(2)
RDEC		1			2			3		2		2	5
BPPS			(1)	(2)	(1)	(1)		(5)		(3)		(3)	(8)
BREA					(2)			(2)	(1)	(2)		(3)	(5)
To be allocated (see para. 86)				3	2			5				0	5
Total reduction	0	1	(4)	(2)	(12)	(1)	(2)	(20)	(9)	(19)	(2)	(30)	(50)
Proposed reclassifications													
BREA				2	(1)	(1)		0	2	(2)		0	0
DOF			1	(1)	1	(1)		0				0	0
DAIS					1	(1)		0	2	(2)		0	0
RBA		1	(1)					0	1	(1)		0	0
RBAP								0				0	0
RDEC			1			(1)		0				0	0
Total reclassification	0	1	1	1	1	(4)	0	0	5	(5)	0	0	0
Total adjustments	0	2	(3)	(1)	(11)	(5)	(2)	(20)	(4)	(24)	(2)	(30)	(50)
Proposed 1996-1997 staffing table	8	18	37	65	38	13	3	182	123	123	4	250	432

Table VI.4. Core activities: overview of relative impact of reductions since 1990-1991

Organizational unit	1990/1991 posts		1994/1995 posts		1996/1997 posts			Relative change b/ compared to 1994/1995 (percentage)	compared to 1990/1991 (percentage)
	Prof a/	GS	Prof a/	GS	Prof a/	GS hq	GS field		
1996-1997 REDUCTIONS									
BREA	33	44	29	33	27	30		(8)	(26)
BPPS c/	28	30	26	24	21	21		(16)	(28)
BFA	58	147	41	92	37	83		(10)	(41)
DOP	18	44	12	41	10	34		(17)	(29)
DAMR	8	8	7	4	6	4		(9)	(29)
RBA total	384	1,211	374	1,211	338	25	1,022	(10)	(13)
RBAP total	249	837	237	748	209	13	612	(12)	(16)
RBLAC total	129	399	117	329	120	10	299	3	(7)
RBAS total	115	403	107	340	94	9	320	(12)	(19)
Non-specific to country offices	21	1	26	2	20		2	(23)	(5)
ODS			1		0		0		
Subtotal - headquarters	234	365	184	261	155	229	0	(13)	(36)
Subtotal - field	809	2,757	793	2,563	724	0	2,255	(9)	(11)
Total 1	1,043	3,122	977	2,824	880	229	2,255	(10)	(16)
1996-1997 ADDITIONS and/or NO CHANGE									
Office of Administrator	4	7	4	7	4	7			
OESP	5	4	7	6	7	6			
RDEC total	15	49	66	111	73	8	184		
Humanitarian Programme (incorporated in OUNS)			2	0	2	0			
To be allocated (see para 86)					5	0			
Subtotal - headquarters	11	13	18	19	26	21	0		
Subtotal - field	13	47	61	105	65	0	184		
Total 2	24	60	79	124	91	21	184		
Total - Headquarters	245	378	202	280	182	250	0	(10)	(31)
Total - Field	822	2,804	854	2,668	789	0	2,439	(8)	(4)
Total UNDP	1,067	3,182	1,056	2,948	971	250	2,439	(8)	(9)

a/ International and national Professionals combined.
b/ For headquarters comparison on the basis of total number of posts ; for totals comparison on basis of Professional posts.
c/ For 1990/1991 excludes 4 P and 3GS transferred to PSDA in 1992-1993.

88. During the first quarter of 1995, the Administrator appointed a UNDP Representative to the European Union. The UNDP Representative was also appointed by the Secretary-General as Director of the United Nations Office in Brussels. The Administrator proposes to establish one Professional post at the D-1 level, and one General Service post in this regard.

(c) Bureau for Programme Policy and Programme Support (BPPS)

89. The restructuring of the former BPPE was described in paragraph 40. The new Bureau will implement staff reductions in the core component of its budget amounting to five Professional and three General Service staff. The rationale for the reductions and internal redeployments is to retain one core generalist post for each of the principle areas of SHD advocacy focus. These core posts are complemented by posts that are covered under the PSDA component of the biennial budget. The Administrator proposes that the staff resources under the PSDA be maintained to ensure that at least minimally adequate substantive capacity is maintained. This is consistent with one of the priority objectives of UNDP as described in paragraph 74, and further elaborated in paragraphs 160 and 161 under programme support and development activities.

90. As mentioned in paragraph 41, trust funds such as GEF, Capacity 21, Montreal Protocol and Funds such as UNSO, UNRFNRE and UNCDF have been functionally incorporated into the BPPS structure.

(d) The Bureau for Finance and Administration (BFA)

91. The Bureau for Finance and Administration comprises the Office of the Assistant Administrator, the Division of Finance (DOF), the Division for Administrative and Information Services (DAIS), and the Inter-Agency Procurement Services Office (IAPSO). Budget proposals pertaining to IAPSO are presented in paragraphs 168 to 173 under the biennial budget component relating to programme support and development activities. BFA implemented major reductions in 1994-1995 and continues to build on rationalization and streamlining of business functions. In the Directorate, the reclassification of one post from the P-3 level to the P-4 level is proposed to cover the function of Special Assistant to the Assistant Administrator of BFA, in line with the level of similar functions in the organization.

Division of Finance (DOF)

92. Functions performed by BFA in general, and the Division of Finance in particular have a direct bearing on the manner in which the Administrator can exercise financial accountability for the resources entrusted to him. The major reductions that DOF implemented in 1994-1995 did not affect the support that DOF provides in this regard since the reductions were implemented with a number of initiatives that enhanced rather than weakened accountability. In view of the

fact that most of the rationalizations were already implemented in 1994-1995, the Administrator limits the 1996-1997 staff reductions to one Professional and one General Service relating to the treasury function.

93. The implementation of the regional service centre concept continues to play an important role in the rationalization and streamlining of business operations through the contracting of accounting services to major international accounting firms. The depth and effectiveness of regular accounts examination on site has thereby greatly improved. As a result, DOF is able to release a further two of the three roving finance officer posts. The remaining roving finance officer post has been relocated to the centre in Zimbabwe. The status of implementation of the regional service centre concept is further reviewed in paragraphs 120 to 126.

94. The control of project and programme funds plays an important role in the overall management of resources. This does not apply only to UNDP's own resources, but also to the resources of all funds and programmes that are administered by UNDP. With the increase in the number of funds, the Administrator is taking steps, therefore, to consolidate further the control functions of all project and programme funds into one unit in DOF that reports directly to the Director of Finance. In the opinion of the Administrator, this consolidation is a necessary step to eliminate any ambiguity that may exist with respect to oversight of project and programme funds control. Separate and independent arrangements that exist will be discontinued, and staff will be transferred to the new unit, when applicable. Funds and programmes will, therefore, no longer need to have their own independent project and programme funds control staff, but will, instead, receive the required services from DOF. Given the new structure, the Administrator proposes that one of the existing senior project and programme funds control officer posts in DOF be reclassified from the P-5 level to the D-1 level. The head of the new unit will be assigned against this post. The proposed arrangement is without prejudice to the managerial responsibilities and accountability of the respective fund managers, nor does it affect the legislative status of Funds.

Division for Administrative and Information Services (DAIS)

95. A major restructuring under which two divisions were merged into the Division for Administrative and Information Services (DAIS) was fully implemented in 1994. The merger led to considerable rationalization and streamlining. DAIS will now proceed to assess further each of its functions and determine which of those functions should be retained, revised, abolished, decentralized, or out-sourced in order to achieve optimal efficiency and cost-effectiveness. In this connection, DAIS has initiated a review to determine the current unit cost of outputs and services that it produces. This will allow a rational determination of the opportunity costs of business functions and processes, and support the decision-making process.

96. Functions that have already been earmarked for abolition and out-sourcing will result in a reduction of 11 posts (3 P and 8 GS). This incorporates the reclassification of one P-3 post to the P-4 level in order to cover the function of Travel Accountant, which will now be consistent with the classified levels of other accountant posts with similar responsibilities. Other functions will be redefined to ensure that DAIS, as a central operational management and service division, adds value to all general operational management processes. Decentralization and enhanced central guidance, management advice, and monitoring systems will be introduced. Other functions, such as the management of common premises for country offices, will be shared with the JCGP partners and will lead to economies of scale for all concerned.

97. Major changes were introduced in the systems development area and have resulted in continued downsizing of DAIS staff dealing with information systems. At the same time, it was found that in the communications area, existing staff strength should be maintained to support the increased usage of electronic networks. As mentioned in paragraph 76, improved management of communications and information is essential for the efficient and effective functioning of the country office network. Major information systems development efforts presently under way are described separately in paragraphs 131 to 137.

(e) Division of Personnel (DOP)

98. As part of a restructuring, the Division of Personnel will eliminate two Professional posts in the staffing section and seven General Service posts in administration. DOP foresees considerable scope for further streamlining and rationalization of processes as a result of the implementation of the Integrated Management Information System project (IMIS). Releases 1 and 2 of IMIS concern, in particular, functions relating to post management and personnel administration, and are expected to be fully operational during the first half of 1996. DOP capacity is temporarily increased by the establishment of a Career Transition Unit (CTU). This unit, proposed for financing from the allocation of transitional measures, plays an essential role in dealing with career issues, including agreed separations in the context of the downsizing.

(f) Division for Audit and Management Review (DAMR)

99. The budget proposals pertaining to DAMR must be considered in conjunction with the proposals made relating to the implementation of the regional service centre concept. The status of implementation of the regional service centre concept is further reviewed in paragraphs 120 to 126.

100. UNDP, through DAMR, has been able to expand its audit coverage considerably through the contracting of audit services to major international audit firms, such as Price Waterhouse in the Asia and Pacific region, and Coopers and Lybrand in the Africa region. Country offices in both regions are now audited annually. The audit function is further expanded by the assignment of two nationally recruited professional auditors in each of the two regions.

101. In paragraph 76, the Administrator emphasized that the organization's ability to support financial and management accountability effectively should not be compromised in times of downsizing. To the contrary, UNDP has expanded audit coverage considerably in an innovative and cost-effective manner. In line with this policy, the Administrator does not propose any staff reductions in DAMR. The only proposal relating to DAMR concerns the change of the source of financing for one Professional post from core to extrabudgetary. This is related to the increase in activities financed from non-core resources.

2. Regional bureaux and country offices

102. The general approach towards the establishment of reduction targets for regional bureaux and country offices was discussed in paragraph 82. What follows is a description of the general strategies followed by the bureaux concerned.

103. Like all other units, regional bureaux have planned, and will manage, adjustments so as to direct resources in a manner that is consistent with the principles that underlie the organization's strategic planning framework. In doing so, bureaux have taken into account the different conditions, realities and opportunities that characterize their respective operations. The staffing implications of the strategies adopted are reflected in table VI.5 for headquarters and country offices combined. Proposals relating to country offices alone are reflected in table VI.6. A brief overview by region follows.

(a) Africa region

104. The Administrator, in considering the reduction targets for the Africa region, has taken full account of the special initiatives taken by the Secretary-General in the context of the United Nations New Agenda for the Development of Africa in the 1990s (UN-NADAF). He therefore accorded a special adjustment to limit staff reductions in the region. This adjustment is covered through additional reductions in operating expenditures and discretionary staff costs, and, therefore, does not result in any additional staff reductions in other regions. The additional reduction in discretionary staff costs, amounting to $3.7 million, is achieved by globally extending the average duration of assignments from three years to four years.

105. The 1996-1997 adjusted staff cost reduction for the region is achieved through the reduction of 47 international Professional and 164 General Service posts both at headquarters and in country offices. Reductions amount to $2.0 million at headquarters or 6 Professional and 5 General Service posts, and $12.6 million for country offices, or 41 international Professional and 159 General Service posts. This takes into account the staffing for the new office in South Africa. With a view to maximizing the use of its available resources, RBA has undertaken a thorough functional analysis of functions in the areas of programme, country office and headquarters management, and coordination. By doing so, functions have been identified that can either be rationalized, eliminated, reduced, or changed. To compensate for the reduction of some international posts

at the ARR level, the number of national Professional posts is increased by 9. This is in line with the Bureau's strategy for capacity-building of country offices through an increased use of national Professionals.

106. In connection with the senior management restructuring of UNDP in the context of the 1994-1995 budget, nine D-2 posts were eliminated overall. One of these related to the downgrading to D-1 of one of the two Deputy-Director posts in the Regional Bureau of Africa. The Administrator, in recognizing the special development needs in Africa and, in taking into account the special initiatives taken by the Secretary-General in the context of UN-NADAF, is proposing to reinstate the second post of Deputy-Director of RBA at the D-2 level. The Administrator, in presenting his proposal, has also taken the following into account: (a) RBA covers a total of 44 country offices, about twice the number covered by the other bureaux; (b) there are many emergency-prone and continuum countries in Africa, which require special attention by senior RBA management; (c) the need to increase the flow of resources for development in Africa is most critical in view of the many and special development needs in the region; this requires extensive involvement of RBA at the most senior level. The Administrator strongly believes that the upgrading of the post is fully justified.

107. In reviewing the profiles of country offices in connection with the 1996-1997 budget strategy, the Administrator is proposing to upgrade an existing P-2 post to P-3 in the UNDP Sao Tome office.

(b) Asia and the Pacific region

108. In the Asia and the Pacific region, the total 1996-1997 staff cost reduction amounts to $10.1 million. The target is achieved through the reduction of 30 international Professional, and 123 General Service posts at headquarters and country offices combined. The reduction at headquarters amounts to $1.8 million, or five Professional, and four General Service posts. The reduction in country offices amounts to $8.3 million or 25 international Professional posts, and 119 General Service posts. Although no major bureau-related restructuring is envisaged at the present time, certain restructuring, decentralization, and streamlining of functions, both at headquarters and in country offices, will be carried out. Concerted efforts are continuing to mobilize non-core resources for the region. The total number of national Professional posts will be increased by two.

109. Based on the demands placed on the UNDP office in Mongolia in providing support services (administration and finance), the Administrator is proposing to upgrade the current Administrative officer post from P-2 to P-3.

Table VI.5. Core activities: staff changes in the regional bureaux

Region	1994-1995 authorized staff			1996-1997 proposed changes			1996-1997 proposed staff		
	Intl. Prof	Nat. Prof	GS	Intl. Prof	Nat. Prof	GS	Intl. Prof	Nat. Prof	GS
Africa									
Headquarters	31		30	(6)		(5)	25	0	25
Country offices	172	171	1,181	(41)	9	(159)	131	180	1,022
Total	203	171	1,211	(47)	9	(164)	156	180	1,047
Asia and the Pacific									
Headquarters	17		17	(5)		(4)	12	0	13
Country offices	99	121	731	(25)	2	(119)	74	123	612
Total	116	121	748	(30)	2	(123)	86	123	625
Arab States									
Headquarters	10		10			(1)	10	0	9
Country offices	52	45	330	(11)	(2)	(10)	41	43	320
Total	62	45	340	(11)	(2)	(11)	51	43	329
Latin America and the Caribbean									
Headquarters	10		10	(2)			8	0	10
Country offices	57	50	319	(6)	11	(20)	51	61	299
Total	67	50	329	(8)	11	(20)	59	61	309
Europe and the Commonwealth of Independent States									
Headquarters	5		6	3		2	8	0	8
Country offices	23	38	105	4		79	27	38	184
Total	28	38	111	7	0	81	35	38	192
Non-specific to countries	26		2	(6)			20	0	2
Regional bureaux									
Headquarters	73	0	73	(10)	0	(8)	63	0	65
Country offices	429	425	2,668	(85)	20	(229)	344	445	2,439
Total	502	425	2,741	(95)	20	(237)	407	445	2,504

Table VI.6. Core activities: staff changes in country offices

Post level	Professional staff									General service staff	GRAND TOTAL
	International							National			
	D2	D1	P5	P4	P3	P2	Sub-total	NO	Total	GS	
Original 1994-1995 staffing table a/	28	82	101	112	73	33	429	425	854	2,668	3,522
Proposed reductions:											
RBA			(1)	(7)	(24)	(9)	(41)	9	(32)	(159)	(191)
RBAP			(3)	(8)	(7)	(7)	(25)	2	(23)	(119)	(142)
RBAS			(2)	(4)	(4)	(1)	(11)	(2)	(13)	(10)	(23)
RBLAC					(4)	(2)	(6)	11	5	(20)	(15)
RDEC b/				4			4		4	79	83
Non-specific to countries					(2)	(4)	(6)		(6)		(6)
Total reductions	0	0	(6)	(15)	(41)	(23)	(85)	20	(65)	(229)	(294)
Proposed reclassfications :											
RBA					1	(1)	0		0		0
RBAP					1	(1)	0		0		0
RBAS							0		0		0
RBLAC			1	(1)			0		0		0
RDEC							0		0		0
Non-specific to countries							0		0		0
Total reclassifications	0	0	1	(1)	2	(2)	0	0	0	0	0
Total adjustments	0	0	(5)	(16)	(39)	(25)	(85)	20	(65)	(229)	(294)
Proposed 1996-1997 staffing table	28	82	96	96	34	8	344	445	789	2,439	3,228

a/ Includes 15 temporary posts, 8 in RBA, 1 in RBAP, 4 in RBAS and 2 in RBLAC.

b/ Incorporates current staffing of the offices in the Commonwealth of Independent States and Baltic States (8 D1, 6 P5, 1 P4, 29 NO, 56 GS).

(c) Arab States region

110. The 1996-1997 total staff cost reduction for the Arab States region amounts to $3.5 million. The target is achieved by reducing 13 Professional, and 11 General Service posts in headquarters and country offices. The reduction at headquarters amounts to $0.1 million, equivalent to one General Service post. The reduction in country offices amounts to $3.4 million, or 11 international Professional, two national Professional, and 10 General Service posts. Of the 18 countries served by UNDP in the region, six are net contributor countries that fulfil their obligations with respect to their contributions towards local office costs. The reductions can, therefore, be assessed only against the remaining 12 country offices. As an integral part of formulating its 1996-1997 budget strategy, RBAS has taken into account that a minimum critical mass is necessary for UNDP contributions to the region to remain viable and effective. Considerable efforts are being undertaken to mobilize non-core resources.

(d) Latin America and the Caribbean region

111. The strategy in the Latin America and the Caribbean region continues to be based on overall cost containment and financing staff and office infrastructure from increasing extrabudgetary resources generated through the support that is given to the large programmes co-financed by third parties, including host governments. The 1996-1997 total staff reduction of $2.1 million is achieved through the reduction of international Professional and General Service posts in headquarters and country offices. The reduction in headquarters amounts to $0.6 million, or two Professional posts. The reduction in country offices amounts to $1.5 million, or six international Professional and 20 General Service posts. In view of the increased capacity at the national level, the Bureau has increased the number of national Professional posts by 11. An integral part of the RBLAC budget strategy includes the setting up of specific targets for the mobilization of additional resources while keeping the biennial budget costs at a minimum level.

112. In the face of the critical economic circumstances prevailing in Haiti, increasing responsibilities are being placed on the UNDP office. In this connection, the Administrator, with a view to assigning a senior Professional at the Deputy Resident Representative level, is proposing to upgrade the current level of the post from P-4 to P-5.

(e) Europe and the Commonwealth of Independent States

113. In line with his proposal contained in paragraph 29, the Administrator is presenting the 1996-1997 budget estimates relating to the country presence in the Commonwealth of Independent States and Baltic States as an integral part of the overall budget estimates for the RDEC region.

114. In developing the proposals for the RDEC region, the Administrator carefully considered the absolute minimum critical capacity that is required to operate effectively in the region. Such critical capacity is essential for both the Regional Directorate at headquarters and the country offices. The present capacity of some of the central Asian country offices and the Directorate at headquarters in particular, is not adequate. Based on experience to date, a critical level of staffing is required to carry out basic UNDP functions without compromising accountability. The UNDP presence is sometimes the only window through which host countries have access to the United Nations system as a whole. Similarly, the specialized agencies make extensive use of the country offices. This places an additional load on already overstretched offices in a very specific context. The turn-over of national staff is often high and new staff require extensive training. This places a heavy burden in cases where only one international Professional is assigned since national staff are mostly new and relatively inexperienced.

115. Against this background, the Administrator is proposing a modest strengthening of some of the country offices. An increase of international Professional posts is proposed for the offices in Kazakstan, Kyrgystan, Tajikistan, and Turkmenistan. In addition, a total of 79 General Service posts is needed to bring the average number of such posts per office in the Commonwealth of Independent States and Baltic States subregion from four to 10. With this proposed increase, seven of the 20 offices in the RDEC region will be staffed by two international Professionals. Armenia, Azerbaijan, Belarus, Georgia, Kazakstan, Ukraine, and Uzbekistan have an additional Professional staff member assigned from the Department of Public Information of the United Nations Secretariat. DPI will continue to contribute towards the operating costs of these offices.

116. The Administrator also proposes a modest strengthening of the Directorate at headquarters by three Professional posts to a total of eight and two General Service posts to a total of eight. One of the Professional posts is at the D-2 level for the position of Director. This position has temporarily been covered through temporary redeployment of an existing post. The strengthening also incorporates the reclassification of one P-5 post to D-1, one P-4 post to P-5, and one P-3 post to P-4. The D-1 level is for a Division Chief post, the P-5 for a Deputy Chief post, and the P-4 for a Programme Management Officer. This is consistent with similar positions in other regional bureaux.

3. General operating expenses

117. Although elimination of posts does not automatically yield savings in all categories of general operating expenses, the Administrator is proposing an overall reduction of 10 per cent. A deliberate effort was made to obtain the maximum amount of required reductions from this category and to cover priority requirements through additional realignment so as to limit the impact on staff resources that are required for UNDP to fulfill its mission.

118. The overall amount of $14.4 million incorporates a reduction of $5.8 million at headquarters, representing a cut of almost 11 per cent over the revised 1994-1995 estimates, and $8.6 million, or about 9 per cent of the base, in country offices.

119. Reductions relate to office premises costs, $1.1 million at headquarters and $2.9 million in the field. This is projected as a result of releasing office space through more efficient utilization, and/or renegotiation of rental agreements. A reduction of $1.6 million in travel, and $1.9 million in communication costs will be achieved through a continued effort towards a more discretionary use of travel, and more effective use of the least expensive modes of communication. Reductions in maintenance of office equipment, and purchase of office furniture, vehicles and supplies, totalling $6.3 million, will result from reduced staff as well as restrictive policies in line with budgetary constraints. An increase of $1.6 million relates to providing country offices a modest allocation for promoting sustained awareness of UNDP objectives and activities. With regard to contributions towards jointly financed activities, the reductions currently proposed relate to the impact of staff reductions. The Administrator will, however, continue to review UNDP contribution to these activities. Table 5 provides a breakdown of reductions in operating costs by categories of expenditure.

4. Other matters

(a) Regional service centre concept (RSC)

120. In his report on the revised budget estimates for the biennium 1994-1995 (DP/1994/35), the Administrator reported on the progress made towards the implementation of the regional service centre concept.

121. The concept has reached a mature stage in the Asia and the Pacific region. It continues to provide benefits to UNDP in that accounts examinations and audits are undertaken in a timely and cost-effective manner through the involvement of major international audit and accounting firms. At the end of the initial one-year contractual period, and based on the positive results obtained until then, the arrangement has been extended for an additional period of two years. The new contract covers two accounts examinations and one audit per year per office. The total cost is $430,000 per year, or $17,900 per office.

122. The performance of the contractor has continually been monitored by BFA and DAMR. In addition, the nationally recruited auditors in Malaysia also monitor the work of the contractor and augment the audit efforts in the region. The management of the RSC is now covered by the UNDP Resident Representative as it was decided that a full-time international manager was no longer required after the start-up phase was successfully completed.

123. With regard to the Africa region, a contract was awarded to Coopers and Lybrand, Zimbabwe, on the basis of competitive bidding involving eight major

international accounting and auditing firms. The contract is initially for one year and became effective in January 1995. It covers four accounts examinations and one audit per year for each of the 44 country offices. The total value of the contract is $1.2 million, or $27,300 per office. As was the case in Asia and the Pacific, extensive briefings and training on UNDP accounting and financial policies, procedures, and reporting were provided to the contractor's staff by UNDP headquarters.

124. As was the case initially in Malaysia, an international staff member has been assigned as manager in Harare to guide the start-up phase. The manager is supported by two nationally recruited Professional auditors and one nationally recruited Professional accountant. In addition, one of the existing roving finance officer post was also transferred to Harare.

125. Country offices in both regions have reacted positively to the quality and added value of the services being provided. The Administrator continues to believe that the concept greatly enhances accountability and the proper functioning of the organization's management controls in an efficient and cost-effective manner.

126. The total cost in the 1994-1995 biennium relating to the audit and accounts examination activities under the regional service centre concept is now estimated to be $2.4 million. This is in excess of the original estimates, which had to be made at a time when it was not possible to foresee all aspects of this innovative approach. Furthermore, the audit and accounts examination contract in Africa started earlier than was initially envisaged. The Administrator proposes to cover the additional cost in 1994-1995 through overall savings. For the 1996-1997 biennium, the estimated cost of the regional service centres covering the Africa and the Asia and the Pacific regions is estimated at $3.2 million, to be covered by the following sources of financing: (a) $1.7 million from the core budget; (b) $1.1 million from the allocations under PSDA relating to support to national execution; and (c) $0.4 million from extrabudgetary resources. The Administrator is, therefore, requesting for the 1996-1997 biennium a volume increase of $0.8 million under the core budget, and $0.6 million under the allocation for support to national execution, to cover the audit and account examination contracts for both regions for the full biennium.

(b) Decentralization

127. In presenting the strategic framework in paragraph 76, the Administrator emphasized the fact that the comparative advantage of UNDP rests on its country office network. The potential of this network must be fully exploited by placing capacities and functions in optimal locations. Increased decentralization with accountability has therefore been high on the agenda of the Administrator as a means for making UNDP an effective and responsive organization. Decision 95/23 confirms that the Executive Board also attaches importance to a decentralized approach.

128. As a result of continual efforts over the past several years to decentralize, resident representatives now have considerable authority for financial, administrative and personnel responsibilities. Notable results have also been achieved in the area of delegation of authority for project approval. The results have been encouraging, and demonstrate the soundness of the approach.

129. The move towards decentralized management has been underway since early 1993. It has played a very important role in the implementation of previous budget strategies and will continue to do so in the future. For the immediate future, the Administrator's goals are to achieve the following results: (a) each country office is clear on what headquarters expects from it in terms of results, and each headquarters unit is clear on what country offices expect from it in terms of support; (b) every headquarters unit and country office has readily available the essential information that is needed to manage its responsibilities efficiently and effectively; (c) resident representatives have expanded programme and project approval authority, accompanied by more rigorous ongoing review; (d) headquarters units are better able to assist country offices to carry out their work and to add value to country office operations; and (e) headquarters units and country offices are able to achieve the same results more efficiently and more effectively.

130. The work involved in the decentralization effort requires further change in UNDP policies, processes and information needs. A graduated shift to the new arrangements will be followed and increased delegation of authority will be interlinked with the introduction of clear systems to (a) enforce accountability, and (b) add value to field operations by improving headquarters and country office collaboration.

(c) Information management and systems development

131. The Administrator believes that the development of effective and efficient information systems is essential for the successful implementation of the initiatives for change. This is particularly relevant for the successful implementation of the decentralization initiatives, as described in the paragraphs above.

132. UNDP continues to work on overcoming deficiencies in the management of information resources. An independent evaluation of corporate and local office systems was conducted and a strategy was proposed that is currently being implemented. Most UNDP systems were stand-alone and many had been developed using different software platforms and tended to be post-facto data repositories. In the past, data-sharing was not considered an integral part of the design of systems. This often resulted in considerable duplication of efforts, including double data entry.

133. The overall strategy for information management and system development continues to be based, therefore, on the following elements: (a) the construction of integrated systems; (b) the elimination of the dichotomies between country

office and headquarters, and between administration and programme; and (c) the notion that the global integrated information system should be country-office driven but must satisfy information needs at all levels. All development is being undertaken within the framework of the Integrated Programme Management project (IPM), and the Integrated Management Information System project (IMIS).

134. The IPM project is a medium-term strategy by which a global integrated information system is set up to cover the functionalities associated with the management of programmes by the country offices and headquarters. It reflects new procedures, practices, and reporting requirements established under the decentralization initiatives. In addition to decentralized programme management, IPM also covers headquarters project financial management, country-office project-cycle management, document management, and aid coordination.

135. The IMIS project concentrates on central financial, administrative and human resource management systems. It is based on the IMIS developed by the United Nations. Considerable progress has been made in the area of human resource management. The Administrator expects that Releases 1 and 2 of IMIS will become operational during the first half of 1996. These releases cover human resources, post and entitlement management, and enable DOP to implement the planned reductions.

136. The total external costs of the implementation of the IPM and IMIS are estimated at approximately $13 million, spread over the period 1995 to 1998. The Administrator has earmarked all information system development resources under the biennial budget towards the two projects. Only a limited amount is reserved for necessary interim support that may have to be provided to existing systems.

137. The early implementation of the two projects is critical for the successful implementation of the 1996-1997 downsizing. The Administrator requests, therefore, that an additional amount of $2 million be allocated for this purpose as part of the transitional measures described in paragraph 155 below.

(d) Reimbursement to the United Nations

138. The issue of the level of reimbursement to the United Nations for services rendered by the United Nations to UNDP was raised by the Administrator in the context of the original estimates for 1994-1995. At that time, the Administrator informed the Governing Council that a joint study had been undertaken by UNDP, UNFPA and UNICEF to review the considerable increases that had been requested by the United Nations. The findings of the study were transmitted to the United Nations in January 1993. The three agencies received the response from the United Nations in February 1995. An initial review of the response indicated that a number of issues remain to be resolved. Pending further clarification and negotiation, the Administrator believes that there is insufficient justification for increasing the provisions relating to the reimbursement to the United Nations. At the time of preparation of the present document, the three agencies were initiating a further review with the aim of resolving these

outstanding issues in consultation with the United Nations. The Administrator will keep the Executive Board informed of the outcome.

(e) Contributions by governments towards local office costs

139. In accordance with the provisions of the standard basic agreements that govern UNDP operations in programme countries, host governments contribute towards the costs of country offices.

140. In its decision 82/18 of 18 June 1982, the Governing Council recognized that local economic conditions may impact on the ability of programme countries to meet their obligation to cover office costs. In its decision 84/9 of 29 June 1984, therefore, the Council authorized the Administrator to waive in part the obligation to contribute when economic conditions of countries concerned so warrant. During the fifth programme cycle, countries have been granted waivers as follows:

1989 per capita GNP (US dollars)	Waiver percentage
3,001 and above a/	0
1,501 - 3,000	25
751 - 1,500	50
0 - 750	75

a/ $4,201 and above for small island countries with population of less than 2 million.

141. Summary information on contributions received in 1994 is provided below:

REGION	CONTRIBUTIONS RECEIVED AS A PERCENT OF AMOUNT DUE	CONTRIBUTIONS RECEIVED AS A PERCENT OF LOCAL OFFICE COSTS
Africa	12	4
Arab States	73	41
Asia and the Pacific	89	30
Latin America and the Caribbean	72	42
Europe and the Commonwealth of Independent States	31	27

142. With regard to the new programming cycle, the Administrator proposes that the basic principles of the waiver system be maintained on the understanding that the waiver bands and the base year for per capita gross national product (GNP) data are adjusted in line with Executive Board decision 95/23 of 16 June 1995. These changes are reflected below and would apply to the second year of the 1996-1997 biennial budget.

1994 per capita GNP a/ (US dollars)	Category	Waiver Percentage
4,701 and above	I	0
1,501 - 4,700	II	25
751 - 1,500	III	50
0 - 750	IV	75

a/ 1994 per capita GNP will be based on latest available data.

143. Countries in category I would be expected to reimburse UNDP for all office related costs, including international costs. Consistent, however, with Governing Council decision 91/29 of 25 June 1991, the Administrator proposes to maintain the principle that countries in category I with programme activities that exceed a certain level could be provided with a Resident Representative and Deputy Resident Representative financed from the UNDP budget. During the fifth programming cycle, countries exceeding $15 million could be provided with a Resident Representative and a second international staff member while countries with a programme exceeding $10 million could be provided with a Resident Representative. For the next programming cycle, the Administrator proposes that these levels are adjusted for inflation and be set at $20 million and $13 million respectively.

144. In line with decision 95/23, countries exceeding the threshold of $4,701 will continue to be granted waivers for a period of three years, following the year of graduation. Countries that fall in any of the remaining three categories are expected to contribute towards part of all office costs, excluding the costs of salaries and allowances for international staff, international business travel, and hospitality. The actual cash targets for contributions will be determined on the basis of the respective waiver percentages that are indicated above. These targets will be adjusted for the contributions that governments provide in kind.

145. Governing Council decision 84/9 authorized the Administrator to establish from 1 January 1985 an "accounting linkage" of voluntary contributions, contributions to voluntary programme costs and contributions to local office costs in such a manner that contributions are first accounted for against the obligations towards local office costs. The Administrator proposes that this provision continues to apply to the new cycle.

146. The Administrator attaches considerable importance to the payment of contributions towards local office costs in his ongoing endeavour to reduce the net biennial budget expenditures of the organization. Resident Representatives will continue to pursue actively the collection of the contributions in close consultation with host governments.

5. Cost adjustments

147. The core biennial budget estimates incorporate various cost adjustments of $5.0 million, or 1.2 per cent over the proposed 1994-1995 estimates adjusted for the volume decrease, a currency increase of $0.3 million, and inflation amounting to $45.1 million, which represents 10.6 per cent on the biennial base, or 5.2 per cent per year.

148. The various cost adjustment of $5.0 million represent the following items:

(a) An increase of $0.2 million, which is a technical adjustment to the 1996 budget estimates to incorporate the effect of the hardship and mobility allowance in the 1996 appropriations resulting from the consolidation of 4.1 points of post adjustment into base pay (in accordance with General Assembly resolution 49/223 of 23 December 1994);

(c) An increase of $4.2 million for the normal within-grade increment for headquarters and field office staff;

(d) An increase of $0.6 million resulting from post reclassifications implemented as an integral part of the budget reductions strategy.

149. With regard to currency adjustment, the 1996-1997 UNDP core budget estimates, in line with usual practice, are being adjusted for the first year of the biennium (see annex I: Methodology, for explanation). The result is an increase in the core budget of $0.3 million.

150. The 1996-1997 inflation adjustment figure of $45.1 million represents the full impact of applying the Administrator's inflation projections to bring the 1996-1997 base, which is expressed at revised 1994-1995 prices, up to 1996-1997 prices. This represents an increase of 5.2 per cent per year globally, or 2.0 per cent per year at headquarters and 6.6 per cent per year in the field. The overall impact of the 2.6 per cent inflation projected by the United Nations is lowered owing to the fact that a rate of only 0.8 per cent per year is projected for the General Service salary costs.

6. Separations and transitional measures

151. The Administrator recognizes that the smooth implementation of the proposed budget strategy entails transitional costs, especially given that this will be the third consecutive budget reduction. The present proposal is based on the same principles as the proposal that the Administrator made and the Governing Council approved in the context of the implementation of the 1994-1995 reductions.

Budgetary separations

152. In the first place, it is necessary to allocate resources to cover a number of agreed separations, both at headquarters and in the field. Contrary to previous bienniums, the Administrator believes that reductions can now be implemented only to a limited extent through normal attrition, turn-over, reassignments and a recruitment freeze. An increased number of agreed separations will be required. Taking into account the number of posts reduced, and based on the experience gained in previous bienniums, the Administrator estimates that the total amount required will be $14.0 million. This amount is based on the separation of an estimated 70 international Professionals, 55 General Service staff at headquarters, and 250 General Service staff in the country offices. The Administrator requests that a provision be made through a one-time charge against the general balance of resources, and included in the reserve for budgeted separations. This reserve was established in 1993 to accommodate the agreed separations that related to the implementation of the 1994-1995 budget reductions. The External Auditors had recommended the reserve as the most appropriate accounting treatment. The reserve is fully committed and 85 per cent is expected to be disbursed by the end of 1995.

Transitional measures

153. The second category relates to the need for a smooth transition. There are a number of requirements to ensure as smooth a transition as possible. The first is the need to recognize that while some savings can be achieved prior to December 1995, others may take more time to implement. For example, some posts to be cut on January 1 1996 may be vacated in 1995 through reassignment or separation while others may naturally fall later in 1996. The estimated amount required for this purpose is $5.0 million

154. The second requirement relates to a need to strengthen temporarily the Organization's capacity to manage the considerable change that presently takes place at a time that further downsizing is also pursued. As an example, the re-focusing of the Organization requires some additional inputs for the development of sound organizational plans based on operational analysis and professional human resource management. With regard to the latter, a special Career Transition Unit (CTU) has been established in DOP to provide staff concerned with professional and confidential counselling on a range of career issues, including agreed separations. The Administrator estimates that a total amount of $1.4 million is required for 1996-1997.

155. The third requirement is to be able to accelerate the development and implementation of the information systems under IPM and IMIS. This is a precondition for the successful implementation of the decentralization initiatives, and the rationalization and streamlining of business functions. The Administrator estimates that a provision of $2.0 million is required in addition to the provisions included in the present budget proposals.

156. In the same way as for agreed separations, the Administrator proposes that the total requirement of $8.4 million for transitional measures be covered through a one-time charge against the general balance of resources, and be included in the reserve for transitional measures. This reserve was also established in 1993 to accommodate the transitional costs that related to the implementation of the 1994-1995 budget reductions. This reserve is at present fully committed and expected to be fully spent by the end of 1995.

157. The total charge related to the two reserves will be partially offset by savings that will accrue under the 1994-1995 budget.

C. Programme support and development activities

158. Programme Support and Development Activities (PSDA) constitute the second main component of the UNDP appropriation structure. PSDA comprises the following subcomponents: (a) programme development activities; (b) support to the operational activities of the United Nations; (c) project/programme implementation support, which comprises Development Support Services, Inter-Agency Procurement Services Office, United Nations Volunteers and support to national execution; and (d) programme support.

159. The Administrator proposes some realignment of resources at minimal impact to the overall PSDA component. Increases in some subcomponents are offset by volume decreases and cost savings in others. The Administrator does not, at this stage, propose changes with regard to programme support, which includes CGIAR and the UNDP/UNSO-UNEP partnership. Proposals pertaining to staff changes in the different subcomponents of PSDA are presented in table VI.7., and reviewed below.

1. Programme development activities

160. The rationale for the establishment of a separate appropriation line for programme development activities was articulated by the Administrator in document DP/1993/45. As confirmed by decision 93/35 of 18 June 1993, the main purpose of this appropriation line is to differentiate between activities to be funded from the core budget, activities to be funded from the programme activities appropriation line, and activities to be funded under projects.

161. The Administrator's proposals relating to programme activities are based on the notion that the rationalization and elimination of business functions that underlie many of the 1996-1997 budget reductions have an impact on line operations rather than on the substantive requirements of the programme. This is consistent with the principles that flow from the strategic planning framework. Similarly, the decentralization of functions has an impact on the work of the regional bureaux and on core BPPS functions rather than on developmental activities.

162. As indicated in table VI.7, the Administrator is proposing some changes in programme activities requirements at headquarters. A small increase of one

Professional and one General Service post is proposed for the Human Development Report Office. The Professional post is for a senior statistician and relates to the need to enhance the Office's capacity to ensure the integrity of statistical data that form the basis for the Human Development Report. Two General Service posts are proposed for the Office of Development Studies to provide a minimum support capacity. As mentioned in paragraph 44, one Professional core post was redeployed in 1994 from within existing core resources. This post is now reflected under programme development activities.

163. The Administrator does not propose changes to the staff resources that are allocated to the Special Unit for Technical Cooperation among Developing Countries. By its decision 95/19 of 14 June 1995, the Board endorsed the New Directions for technical cooperation among developing countries, as recommended by the High-level Committee on the Review of TCDC. Similarly, no changes are proposed for the field component of programme development activities. This component covers the Economist posts and National Professional posts for sustainable development and HIV/AIDS.

2. Support to the operational activities of the United Nations

164. By its decision 93/35 of 18 June 1993, the Governing Council took note of the Administrator's estimate that 29 per cent of the country office workload relates to support to the operational activities of the United Nations as a whole. The Council endorsed the Administrator's proposal to reflect these costs separately by introducing a new appropriation line entitled "Support to the operational activities of the United Nations". Accordingly, 29 per cent of country office costs are reflected in the appropriation decision under this sub-component of PSDA.

165. Based on the same rationale, the Administrator proposes to reflect most of the costs of the Office of United Nations System Support and Services (OUNS), under this subcomponent. The rationale behind the establishment of the Office is provided in paragraph 46. The costs relate to four Professional (1 D-2, 1 D-1, 1 P-5, 1 P-3) and four General Service posts. The Administrator believes that this constitutes an initial and very modest capacity for the tasks at hand, and believes that the D-2 level of the Director's post is fully justified in view of the functional responsibilities. Discussions with the United Nations and United Nations specialized agencies are under way to supplement these resources through co-financing, and/or secondment of staff.

166. As mentioned in paragraph 46, the Humanitarian Programme has become part of OUNS. The Administrator proposes that costs relating to this Programme (two Professionals) continue to be reflected under the headquarters core budget. Similarly, he proposes that the cost of the security section (two Professionals) that has been transferred from BFA/DAIS to OUNS, continue to be reflected under the field component of the core budget.

Table VI.7. Programme support and development activities (PSDA): staff changes

Post level	Professional staff									General Service staff				
	International							National		HQ principal level	HQ other level	Country offices	Total	GRAND TOTAL
	D2	D1	P5	P4	P3	P2	Sub-total	NO	Total					
Original 1994-1995 staffing table	5	14	35	22	12	6	94	123	217	9	80	60	149	366
Proposed increases/decreases:														
HDRO			1				1		1		1		1	2
ODS			1				1		1		2		2	3
BPPS							0		0				0	0
OUNS	1	1	1		1		4		4	1	3		4	8
IAPSO		(1)		(1)	(1)		(3)		(3)	(1)	(2)		(3)	(6)
UNV				(1)		(3)	(4)		(4)		(4)		(4)	(8)
Total increases/decreases (net)	1	0	3	(2)	0	(3)	(1)	0	(1)	0	0	0	0	(1)
Proposed reclassfications :														
BPPS							0		0	1	(1)		0	0
IAPSO		1		(1)			0		0				0	0
UNV			1	(1)			0		0				0	0
Total reclassifications	0	1	1	(2)	0	0	0	0	0			0		0
Total adjustments	1	1	4	(4)	0	(3)	(1)	0	(1)			0		(1)
Proposed 1996-1997 staffing table	6	15	39	18	12	3	93	123	216	9	80	60	149	365

3. Project/programme implementation support

(a) Development Support Services

167. Apart from an adjustment for inflation, the Administrator proposes to maintain the level of resources allocated to DSS. DSS continues to be an essential and flexible modality that enables country offices to access additional substantive capacity in the form of short-term local consultancies. DSS is most relevant for the country offices in the operationalization of SHD.

(b) Inter-Agency Procurement Services Office

168. In the overall context of the downsizing, the Administrator has carefully reviewed the extent to which UNDP resources should continue to contribute to the financing of IAPSO activities. This financing from UNDP resources has been maintained in real terms since 1992 despite the fact that resources of other parts of UNDP have been reduced since that time.

169. The Administrator believes that most IAPSO activities should gradually become self-financing and that only a small core capacity should be financed from UNDP resources. Maintaining a small core capacity is justified to support the important inter-agency role that IAPSO plays in line with General Assembly resolution 32/197 and Governing Council decision 25/29.

170. To give focus to the core role of IAPSO, the Administrator has undertaken an analysis to set priorities for IAPSO activities relating to its inter-agency role as facilitator of joint efforts to harmonize and coordinate procurement by the United Nations system and achieve improved overall economies, combined with greater transparency. This role concerns in particular IAPSO research and development work relating to (a) the establishment and development of a United Nations Common Coding System (UNCCS); (b) obtaining collective price agreements through international competitive bidding for common-user items and the preparation and distribution of price catalogues for use by United Nations organizations; (c) exploring potential new business bases, particularly in developing countries; (d) the development of a common vendor database; and (e) the collection and presentation of statistics on United Nations procurement. In this connection, the Administrator believes that the role of IAPSO as a business information centre for the donor community through publications and business seminars should become self-financing.

171. The core activity of IAPSO as described above is supplemented by its role as a self-financed specialized procurement service centre that assists donors and recipients of international aid with cost-efficient and timely acquisitions of common-user items upon request. These activities are being reviewed in consultation with the External Auditors. The volume has increased to an amount of $50 million in 1994.

172. Based on the analysis undertaken, the Administrator proposes to reduce the number of Professional budgetary posts from seven to four and the number of General Service budgetary posts from eight to five. Based on the results of a comprehensive classification exercise of all functions in IAPSO, the Administrator also proposes a realignment of the IAPSO grade structure. This realignment takes full account of the size and nature of the extrabudgetary activities that are managed. In this connection, the Administrator will present a report to the Executive Board at its first annual session 1996 on the procurement services that IAPSO provides. Subject to the Board's review and

endorsement of IAPSO activities in this regard, the Administrator proposes that the level of the post of the Director be upgraded from D-1 to D-2. The Administrator, however, believes that it is appropriate to change the source of financing of the Director's post from budgetary to extrabudgetary resources. This is without prejudice to the continued responsibility of the Director for core IAPSO activities but reflects a more appropriate distribution of costs between different sources of financing. The proposal does not affect the total number of D-2 posts financed from UNDP biennial budget resources. The Administrator proposes that the level of the post of Director of IAPSO be reviewed on a regular basis taking into account the volume and nature of extrabudgetary activities. Based on the same comprehensive classification of functions, the Administrator also proposes that the budgetary posts of Deputy Director and Chief, Administration, Finance and Information Technology Service, be upgraded to D-1 and P-5 respectively.

173. General operating expenditure will be reduced commensurate with the reduction in staff.

(c) United Nations Volunteers

174. In its decision 95/2 of 10 January 1995, the Executive Board endorsed the proposals of the Secretary-General to relocate the headquarters of UNV from Geneva to Bonn. The proposal was outlined in document DP/1995/11 of 2 December 1994. The 1996-1997 budget estimates for UNV take the relocation to Bonn, effective July 1996, into account.

175. As regards recurrent and non-recurrent expenditure, it was originally estimated that there could be annual net savings of approximately $1.7 million. In determining these savings, it was assumed that the weighted average difference between the General Service staff salaries paid in Geneva and Bonn would be 40 per cent. Based on the results of a recent comprehensive salary survey, the Administrator now estimates that the difference will narrow to 28 per cent. The estimates for annual net savings has been revised to $1.4 million accordingly, and will accrue effective July 1996.

176. In addition to the savings in recurrent costs that are directly related to the relocation to Bonn, the Administrator also anticipates savings as a result of overall streamlining and rationalization of business functions and processes. Actions already undertaken by UNV to rationalize work will continue. The review of the UNV strategic approach paper has been accelerated and will provide the basis for a future vision and structure of UNV, with the relocation to Bonn as a logical watershed for significant change. The review process, which includes an analysis of functions that would underpin the UNV strategy, is seen as important for the future of the Programme.

177. Principles that will continue to guide the structure of UNV will be: (a) to decentralize to programme countries, regional bases and partner organizations (including more out-sourcing and subcontracting); (b) to contain the size and

costs of headquarters in line with the guidance provided earlier by the Governing Council; (c) to integrate functions at headquarters under fewer units; (d) to encourage more task-related teamwork between units; and (e) to simplify management and limit hierarchy.

178. The Administrator proposes to apply the reduction of four Professional and four General Service posts to the core component of the UNV budget. No changes are proposed with respect to the supplementary component of the UNV budget, which depends on the total number of volunteers being supported.

(d) Headquarters support to national execution

179. In its decision 94/29 of 10 October 1994, the Governing Council appropriated $3.1 million for the purposes of support to national execution. This relates to headquarters support in the areas of audit and accounts. As described in paragraph 126, the Administrator proposes to increase the level of resources in 1996-1997 in order to contribute towards the contracts covering audit and accounting services by Price Waterhouse in the Asia and Pacific region, and Coopers and Lybrand in the Africa region. The Administrator believes that this increase is fully justified given the continuous and rapid growth in national execution.

180. The National Execution Audit Section (NEXAS) of the Division for Audit and Management Review (DAMR) continues to seek improvements in the quality of Governments' audit reports and their timely submission. NEXAS continues to evaluate audit reports, carry out audit missions when required, make recommendations for improvements, and introduce additional audit scopes. Long-term audit plans are developed and aim at ensuring that each nationally executed project is audited at least once in its lifetime, and major projects are audited more regularly.

181. With regard to the accounts section of the Division of Finance, expenditure will continue to be incurred principally in maintaining the processing of current year transactions, and reconciliation of operating fund accounts with Governments. In addition, training workshops of UNDP staff and their Government counterparts continue.

4. Cost adjustments

182. The PSDA budget estimates incorporate a total cost adjustment of $4.0 million, which includes the downward adjustment made in UNV as described in paragraph 176. Similar currency and inflation adjustments as applied to the core budget were also applied to this component of the biennial budget, resulting in a currency increase of $1.3 million and an inflation increase of $4.7 million.

VII. BUDGET ESTIMATES FOR THE 1996-1997 BIENNIUM: RESOURCES OF FUNDS

A. Overview

183. Within its appropriation structure, UNDP includes distinct appropriations for the resources of certain funds that are administered by UNDP. Currently, these include UNCDF, UNRFNRE/UNFSTD, UNSO, and UNIFEM. The budget of each fund, as reviewed and approved by the Executive Board, relates to its operational and administrative activities or, in a certain sense, its core budget.

184. Since the activities of the funds are financed through independent contributions, the post reductions applied to the core budget of UNDP were thereby not automatically applied to the core budgets of the Funds. Instead, the Administrator carefully reviewed the staffing requirements of each fund in the context of its activities and resource situation, as well as the need to increase operational efficiency and productivity. This resulted in staffing and other adjustments in the funds that are discussed below. In accordance with paragraph 31 of Governing Council decision 91/46, resource projections for each fund have been included.

B. United Nations Capital Development Fund

185. In paragraph 60, the Administrator refers to the internal review that UNCDF undertook and that led to an organizational restructuring. Budget savings were incorporated in the revised 1994-1995 estimates as a result. Those savings related to the abolishment of one Professional and three General Service posts effective 1 January 1995. A technical adjustment is incorporated in the 1996-1997 budget in respect of this reduction.

186. An additional two Division Chief posts (P-5) and one Country Officer post (P-4) will be abolished in 1996-1997. This is consistent with the revised organizational structure, under which separate geographical divisions are replaced by one programme unit. A decrease in general operating expenses is also incorporated in the overall estimates.

187. While UNCDF has seen a decline in its voluntary contributions starting in 1992 (DP/1995/23, paragraph 12), a goal has been set to increase the number of major donors and to re-establish the 1991 peak contribution level of $42 million by the end of the decade. The UNCDF resource planning table, 1992-1997, is provided in table VII.1.

Table VII.1. UNCDF: Resource planning table, 1992-1997

(Millions of United States dollars)

Description	1992-1993 actual	1994 actual + 1995 projected	1996-1997 projected
Opening balance:			
General resources : a/	167.7	134.9	102.6
Co-financing	1.0	1.1	0.0
Total	168.7	136.0	102.6
Income:			
General resources:			
Voluntary contributions	71.9	61.3	60.0
Other	14.0	10.9	9.4
Subtotal	85.9	72.2	69.4
Co- financing	5.2	3.1	1.6
Total	91.1	75.3	71.0
Expenditures:			
General resources:			
Project/programme support	107.7	91.6	86.3
Biennial budget	9.0	10.7	9.1
Technical support	2.0	2.2	2.4
Subtotal	118.7	104.5	97.8
Co- financing	5.1	4.2	1.4
Total	123.8	108.7	99.2
Balance of unexpended resources:			
General resources:	134.9	102.6	74.2
Co-financing	1.1	0.0	0.2
Total	136.0	102.6	74.4

a/ Opening balance includes the amounts of the required operational reserve : $58.9 million for 1992-1993; $55.9 million for 1994-1995; and $41.8 million for 1996-1997.

C. United Nations Development Fund for Women

188. In paragraph 62, the Administrator makes reference to the review by the Executive Board of the financial and administrative situation of UNIFEM and to decision 95/18 of 14 June 1995. The 1996-1997 administrative budget estimates for UNIFEM were presented in paragraphs 69-72 of document DP/1995/33. They incorporated an overall reduction of 24.0 per cent of the combined total of UNIFEM regular and technical support budgets. This reduction incorporates the freezing of two Professional and two General Service posts effective 1995 and of two additional Professional and General Service posts effective 1996. In addition, general operating expenses have been reduced to a minimum.

189. As referred to in paragraph 11 of decision 95/18, the Administrator has out-posted one staff member of DOF to UNIFEM to assist in the monitoring of project funds.

190. As requested by the Executive Board, the Administrator, in close collaboration with the Director of UNIFEM, will continue to review closely the manner in which administrative expenditures can be further reduced to a level consistent with UNIFEM project activities while bearing in mind the need to retain a critical capacity for the Fund. In this connection, the Administrator believes that the results of the external evaluation of UNIFEM and the outcome of the Fourth World Conference on Women as it impacts on UNIFEM activities will need to be taken into account in assessing administrative cost levels, as will UNIFEM responsibilities for non-project work in advocacy.

191. The resource planning table provided in table VII.2 is consistent with table 3 of document DP/1995/33, and DP/1995/CRP/9, except that co-financing activities are included.

Table VII.2. UNIFEM: Resource planning table, 1992-1997

(Millions of United States dollars)

Description	1992-1993 actual	1994 Actual + 1995 projected a/	1996-1997 projected a/
Opening balance:			
General resources: b/	14.6	8.0	(2.8)
Co-financing	4.8	2.8	0.6
Total	19.4	10.8	(2.2)
Income:			
General resources:			
Voluntary contributions	19.8	22.5	24.6
Other	1.7	1.0	1.3
Subtotal	21.5	23.5	25.9
Co- financing	2.4	7.7	10.0
Total	23.9	31.2	35.9
Expenditures:			
General resources:			
Project/programme support	21.7	27.2	15.0
Biennial budget	5.2	5.9	5.2
Technical support	1.2	1.2	1.2
Subtotal	28.1	34.3	21.4
Co- financing	4.4	9.9	10.2
Total	32.5	44.2	31.6
Balance of unexpended resources:			
General resources:	8.0	(2.8)	1.7
Co-financing	2.8	0.6	0.4
Total	10.8	(2.2)	2.1

a/ Projections for general resources are consistent with table 3 of document DP/1995/33 except for 1995, which is consistent with the update provided in document DP/1995/CRP/9 of 9 June 1995.

b/ Includes in the opening balance amounts for the operating reserve : $ 6.2 million for 1992-1993; $ 5.1 million for 1994-1995; and $1.0 million for 1996-1997. Paragraph 6 of decision 95/18 concerns the level of the operational reserve.

D. Office to Combat Desertification and Drought

192. Document DP/1994/58 of 22 September 1994 was presented to the Executive Board at its first annual session 1995. The document described the role of UNSO and the UNDP arrangements for handling antidesertification activities, especially in support of the implementation of the International Convention to Combat Desertification in Countries Experiencing Serious Drought and/or Desertification, particularly in Africa. The Board adopted decision 95/6 of 13 January 1995 in this regard. Also, in accordance with the decision, the Administrator changed the name to "Office to Combat Desertification and Drought" while keeping the acronym "UNSO". As mentioned in paragraph 41, UNSO has become functionally part of the Sustainable Energy and Environment Division (SEED) of the Bureau for Policy and Programme Support.

193. Given its increased geographical and substantive responsibilities, UNSO faces a challenging situation at a time when voluntary contributions have shown a decline over the last four years. As a result of the resource constraints, UNSO is undertaking a significant downsizing in overall staffing levels. It is proposed to achieve approximately a 50 per cent reduction in all categories of posts both at headquarters and the field. Nine Professional posts and five national posts, currently financed from extrabudgetary resources will be abolished. In 1995, five national posts in the regional office in Ouagadougou have been abolished and the office has been relocated within the UNDP premises. Vigorous efforts are now being made to mobilize additional resources from interested donors, particularly in support of the implementation of the Convention.

194. Considering the mandate accorded to UNDP and UNEP through UNSO in paragraph 27, chapter 38, of Agenda 21, and in the new context created by the Convention, the two organizations have agreed to refocus the UNDP/UNEP joint venture into a partnership for joint programming and resource mobilization in areas where UNEP and UNDP/UNSO have complementary expertise. The joint programmes will support the implementation of the Convention to Combat Desertification.

195. Against this background, the Administrator proposes to maintain the UNDP contribution to the partnership at $1 million per biennium. Effective 1996, the UNEP contribution will be redirected towards seed funding for programme activities under the partnership. This will result in the abolition of four Professional posts as part of the overall post reductions mentioned in paragraph 192. The UNSO resource planning table, 1992-1997, is presented in table VII.3.

Table VII.3. UNSO: Resource planning table, 1992-1997

(Millions of United States dollars)

Description	1992-1993 actual	1994 actual + 1995 projected	1996-1997 projected
Opening balance:			
General resources:	35.0	25.8	16.9
Co-financing	17.3	9.2	0.1
Total	52.3	35.0	17.0
Income:			
General resources:			
Voluntary contributions	6.4	2.0	3.5
Other	2.6	0.3	0.0
Subtotal	9.0	2.3	3.5
Co- financing	18.1	10.4	6.7
Total	27.1	12.7	10.2
Expenditures:			
General resources:			
Project/programme support	11.5	4.4	2.2
Biennial budget	6.7	6.8	7.6
Subtotal	18.2	11.2	9.8
Co- financing a/	26.2	19.5	6.8
Total	44.4	30.7	16.6
Balance of unexpended resources:			
General resources:	25.8	16.9	10.6
Co-financing	9.2	0.1	(0.0)
Total	35.0	17.0	10.6

a/ Includes an amount of $1.0 million for 1992-1993, representing unexpended resources transferred, or refunded to donors as a result of the closure of the sub-trust fund.

E. United Nations Fund for Science and Technology for Development/ United Nations Revolving Fund for Natural Resources Exploration

196. In paragraph 13 of his revised budget estimates for the 1994-1995 biennium (DP/1994/35), the Administrator informed the Executive Board that contributions to UNFSTD were no longer sufficient to continue operations after 1994. Accordingly, all posts financed from UNFSTD were abolished. With regard to UNRFNRE, one major donor has continued to contribute so that operations continue on a modest scale. The revised 1994-1995 staffing level for the UNRFNRE continues into 1996-1997. The UNRFNRE resource planning table, 1992-1997, is presented in table VII.4.

Table VII.4. UNRFNRE: Resource planning table, 1992-1997

(Millions of United States dollars)

Description	1992-1993 actual	1994 actual + 1995 projected	1996-1997 projected
Opening balance:			
General resources:	2.2	2.1	2.5
Co-financing	0.1	0.1	0.0
Total	2.3	2.2	2.5
Income:			
General resources:			
Voluntary contributions	4.3	2.6	3.0
Other	0.1	0.2	0.2
Subtotal	4.4	2.8	3.2
Co- financing	0.0	0.0	0.0
Total	4.4	2.8	3.2
Expenditures:			
General resources:			
Project/programme support	1.7	0.9	2.2
Biennial budget	1.8	1.0	1.0
Technical support	1.0	0.5	0.5
Subtotal	4.5	2.4	3.7
Co- financing	0.0	0.1	0.0
Total	4.5	2.5	3.7
Balance of unexpended resources:			
General resources:	2.1	2.5	2.0
Co-financing	0.1	0.0	0.0
Total	2.2	2.5	2.0

F. Technical support budgets

197. In addition to the core budgets of the trust funds discussed above, three of the funds have technical support budgets. The rationale for the establishment of technical support budgets for UNCDF, UNRFNRE, and UNIFEM was set forth in revised budget estimates for 1990-1991 and the budget estimates for 1992-1993 (DP/1991/49/Vol.I). In accordance with Governing Council decision 91/46 (paragraph 33), the budgetary estimates for the technical support budgets of the three trust funds are set forth in the following table. Staffing information for the technical support budgets is provided in table 9 of the present document. The only material changes for 1996/1997 relate to (a) the decrease in 2 General Service posts for UNCDF discussed above; (b) the freezing of one Professional and one General Service post for UNIFEM and the reduction in general operating expenses discussed above under UNIFEM; and (c) reductions as reported in document DP/1994/35 for UNRFNRE.

Table VII.5. Technical support budgets: 1994-1997

(Thousands of United States dollars)

Item	UNCDF		UNIFEM		UNRFNRE	
	1994-1995	1996-1997	1994-1995	1996-1997	1994-1995	1996-1997
Established posts	980.8	919.4	433.7	434.1	273.1	245.8
Common staff costs	377.7	373.3	309.9	308.9	145.8	148.4
Subtotal	1,358.5	1,292.7	743.6	743.0	418.9	394.2
Temporary assistance/overtime	19.3	2.0	1.1	0.0	0.7	1.5
Consultants	67.2	389.6	14.7	14.7	5.9	12.9
Subtotal	86.5	391.6	15.8	14.7	6.6	14.4
Official travel	104.8	84.2	39.7	41.8	10.0	21.7
Contractual services	34.8	143.2	11.3	11.9	0.0	0.0
General operating expenditure	339.8	241.8	318.4	308.8	62.8	52.4
Supplies	17.7	9.0	19.1	20.2	1.4	2.9
Furniture/equipment	52.1	33.8	0.7	0.7	6.0	13.0
Reimbursement to UNDP	232.0	212.9	100.0	107.5	89.3	61.0
Subtotal	781.2	724.9	489.2	490.9	169.5	151.0
Grand total	2,226.2	2,409.2	1,248.6	1,248.6	595.0	559.6

VIII. TRUST FUNDS

A. Global Environment Facility

198. UNDP is one of the three implementing agents for the Global Environment Facility. For the 1996-1997 biennium, the Administrator estimates that the total programme implemented by UNDP will increase to $225 million. The activities are administered by UNDP under a trust fund established by the Administrator. This trust fund is incorporated in the financial statements of UNDP.

199. In the case of GEF, all activities undertaken are subject to review and approval by the GEF Council, which is supported by an independent secretariat. The Council is responsible for developing, adopting and evaluating the operational policies and programmes for all GEF-financed activities, including those implemented by UNDP. The Council also reviews and approves the administrative and programme support budget of GEF. This budget is prepared by the secretariat and is a consolidation of the budgets submitted by the respective implementing agents.

200. The administrative and programme support budget pertaining to the GEF implementation unit in UNDP is thus fully financed from GEF resources. It is administered on an extrabudgetary basis. The budget approved by the GEF Council for UNDP amounts to $5.4 million for the period July 1994 to June 1995 and $5.9 million for the period July 1995 to June 1996. A total number of 19 Professional (1 D-2, 4 D-1, 9 P-5, 2 P-4 and 3 P-3/2) and 12 General Service posts are covered by the budget. Although the budget is not subject to appropriation by the Executive Board, the Administrator brings the arrangement to the attention of the Board and ACABQ in view of the fact that extrabudgetary posts have been established at the D-2 level for the Executive Coordinator and at the D-1 level for Deputy Executive Coordinator, Principal Technical Adviser on Bio-diversity Conservation, Principal Technical Adviser on Climate Change, and Principal Technical Adviser on Capacity-Building, out-posted to the GEF Washington secretariat.

B. Montreal Protocol

201. UNDP is also one of the four implementing agents for the Multilateral Fund for the implementation of the Montreal Protocol. For the 1996-1997 biennium, the Administrator estimates that the total programme implemented by UNDP will increase to $63.9 million. As in the case of GEF, the activities are administered by UNDP under a trust fund established by the Administrator. This trust fund is incorporated in the financial statements of UNDP.

202. In the case of the Multilateral Fund, all activities undertaken are subject to review and approval by the Fund's Executive Committee, which is supported by an independent secretariat. The Committee approves funding and develops guidelines for the administration of the Fund, including the support costs for

the implementing agents. UNDP involvement as an implementing agent is managed by the Montreal Protocol Unit (MPU) within BPPS/SEED. The annual budget of MPU is approximately $2.0 million and is fully financed from the support costs approved by the Executive Committee. The budget is administered by UNDP on an extrabudgetary basis and incorporates the costs of three Professional (1 D-1, 2 P-4) and two General Service posts. Although the budget is not subject to appropriation by the Executive Board, the Administrator brings the arrangement to the attention of the Board and ACABQ in view of the fact that an extrabudgetary post has been established at the D-1 level for the Principal Technical Advisor and Chief of the MPU.

Annex I

METHODOLOGY

1. The methodology used to prepare these biennial budget estimates remains exactly the same as that applied for the original and revised estimates pertaining to every biennial budget since the 1984-1985 budget. The approach involves several sequential steps in calculating the estimates. The results of each of these steps is reflected in a separate column in the budget presentation.

2. Following is a summary of these steps as they have been applied in formulating the 1996-1997 biennial budget estimates.

A. Volume adjustments

3. First, using the revised 1994-1995 estimates as a base, the real increases or decreases in requirements have been calculated and designated as volume changes. In a sense, volume changes, as defined, represent the controllable elements in the estimates, subject to the Administrator's assessment of what UNDP requires to perform the task with which it is entrusted. Such volume changes are calculated at 1994-1995 price levels in order to facilitate comparison with the 1994-1995 revised estimates.

4. Since the UNDP budget is overwhelmingly post-driven (over 70 per cent of the estimates pertain to direct staff costs), volume adjustments in regard to increases or decreases in staff are itemized and explained in some detail in subsections B, and C of chapter VI. Overall staff changes are summarized in tables VI.4., VI.5, VI.6, and VI.7., as well as in annex II, table 9. Volume adjustments in respect of other operating expenses may be reviewed in detail for the UNDP core budget in table 5 of annex II.

B. Various cost adjustments

5. To these volume changes are added other cost factors, over which the Administrator has little, if any, control but which, nevertheless, have an impact on overall resource requirements for the biennial budget. Such other cost factors include, for example, ICSC decisions on a variety of staff entitlements, as well as the annual within-grade increment. Normally, but not exclusively, such cost adjustments apply to staff costs.

6. These cost factors are itemized for 1994-1995 in chapter IV.C., and for 1996-1997 in chapters VI.B.5, and VI.C.4.

C. Currency adjustments

7. Currency adjustments are then added to these two elements. This factor is of particular importance to the UNDP field office network, operating as it does in close to 100 different currencies around the world with operating costs that vary greatly with the strength or otherwise of the United States dollar. UNDP operations in Geneva, Tokyo and in Copenhagen are also affected by this factor.

For the 1994-1997 estimates, the currency adjustments represent:

(a) For 1994: the difference between the United Nations operational rate of exchange in effect on 1 May 1994, which was used for the first revision of the estimates (DP/1994/35) and the weighted average rate for 1994;

(b) For 1995: the difference between the United Nations operational rate of exchange in effect on 1 May 1994, and that in effect a year later, on 1 April 1995, which is the basis for preparation of the present document;

(c) For 1996: the difference between the weighted average exchange rate used for the 1994 base and the United Nations operational rate of exchange in effect on 1 April 1995;

(d) For 1997: there is no currency adjustment for 1997 since its base is 1995, for which the same operational rate of exchange is used, i.e., 1 April 1995.

D. Inflation adjustment

8. Finally, to complete the picture and to develop the final estimate of requirements for the current and the next biennium, the Administrator must estimate inflation over a four-year period, 1994-1997. However, the nature of the inflation adjustments differ as between the two bienniums as follows:

(a) For 1994-1995, the existing estimates already embody the earlier estimates of inflation. The inflation adjustment for this biennium therefore represents the difference between the application of earlier estimates and the Administrator's revised estimates;

(b) For 1996-1997, the figures in the inflation adjustment column represent the full financial impact of applying the Administrator's inflation projections to bring the estimates up to 1996-1997 prices.

9. In order to arrive at these estimates of inflation, four inflation factors for each location are adopted for each year: the first inflation factor pertains to the estimated movement of post adjustment for international staff; the second to international travel and common staff costs for international staff (this is the same for all locations); the third factor encompasses salaries and common staff costs for local staff, which may vary significantly from location to

location; the fourth factor relates to all other costs, such as general operating expenses.

10. Within this general framework, New York and Geneva are treated separately from the field offices. For these two locations, the rates used are the same as those used by the United Nations unless specific contractual commitments differ.

11. Apart from a limited number of cost elements such as international travel and the common staff costs of international staff, the inflation factors for field offices must be location specific. Resident Representatives are involved in consulting locally and project inflation trends in their country of assignment; furthermore, estimates are compared with past experience and current global patterns and/or information that is available and published before being applied to the budget estimates.

12. Inevitably, this element of the budget estimates is subject to a margin of error. It is therefore continuously reviewed and updated each year.

Annex II

TABLES

Table 1. UNDP revised budget proposals for the 1994-1995 biennium, showing estimated extrabudgetary income from external sources
(Thousands of United States dollars)

	Appropriation estimates	Estimated extrabudgetary income	Total gross/net estimates
I. RESOURCES OF UNDP			
A. UNDP core activities a/			
Headquarters b/	148,568.5	31,951.7	180,520.2
Country offices	230,305.5	41,771.8	272,077.3
Gross UNDP core activities	378,874.0	73,723.5	452,597.5
Estimated income	37,600.0	0.0	37,600.0
Net UNDP core activities	341,274.0	73,723.5	414,997.5
B. Programme support and development activities			
Programme development activities	25,980.6	0.0	25,980.6
Support to the operational activities of the United Nations	93,157.3	0.0	93,157.3
Project/programme implementation services			
DSS	6,225.0	0.0	6,225.0
IAPSO	6,140.3	3,552.8	9,693.1
UNV	33,619.9	2,725.3	36,345.2
National execution	3,263.4	0.0	3,263.4
Total project/programme implementation services	49,248.6	6,278.1	55,526.7
Programme support c/	2,300.0	0.0	2,300.0
Total programme support and development activities	170,686.5	6,278.1	176,964.6
C. Total resources of UNDP			
Gross resources	549,560.5	80,001.6	629,562.1
Estimated income	37,600.0	0.0	37,600.0
Net resources	511,960.5	80,001.6	591,962.1
II. RESOURCES OF FUNDS			
A. UNCDF	10,651.9	0.0	10,651.9
B. UNRFNRE and UNFSTD	1,653.1	314.1	1,967.2
C. UNSO	6,614.8	3,736.5	10,351.3
D. UNIFEM	5,912.4	298.8	6,211.2
Total resources of Funds	24,832.2	4,349.4	29,181.6
III. TOTAL UNDP APPROPRIATIONS			
Gross appropriations	574,392.7	84,351.0	658,743.7
Estimated income	37,600.0	0.0	37,600.0
Net UNDP appropriations	536,792.7	84,351.0	621,143.7

a/ The Administrator is permitted to redeploy between the country offices and headquarters appropriation lines up to a maximum of 5 per cent.

b/ Extrabudgetary income represents income from external sources, exclusive of reimbursements from non-core units; these are included in the appropriation estimates of the non-core units.

c/ Represents UNDP contribution to CGIAR and UNDP-UNSO/UNEP partnership.

Table 2. UNDP budget proposals for the 1996-1997 biennium, showing estimated extrabudgetary income from external sources
(Thousands of United States dollars)

	Appropriation estimates	Estimated extrabudgetary income	Total gross/net estimates
I. RESOURCES OF UNDP			
A. UNDP core activities a/			
Headquarters b/	142,247.6	36,479.4	178,727.0
Country offices	233,723.0	45,267.5	278,990.5
Gross UNDP core activities	375,970.6	81,746.9	457,717.5
Estimated income	38,000.0	0.0	38,000.0
Net UNDP core activities	337,970.6	81,746.9	419,717.5
B. Programme support and development activities			
Programme development activities	30,512.5	0.0	30,512.5
Support to the operational activities of the United Nations	96,986.7	0.0	96,986.7
Project/programme implementation services			
DSS	7,223.4	0.0	7,223.4
IAPSO	4,562.6	3,911.4	8,474.0
UNV	32,769.5	2,999.7	35,769.2
National execution	3,832.3	0.0	3,832.3
Total project/programme implementation services	48,387.8	6,911.1	55,298.9
Programme support c/	2,300.0	0.0	2,300.0
Total programme support and development activities	178,187.0	6,911.1	185,098.1
C. Total resources of UNDP			
Gross resources	554,157.6	88,658.0	642,815.6
Estimated income	38,000.0	0.0	38,000.0
Net resources	516,157.6	88,658.0	604,815.6
II. RESOURCES OF FUNDS			
A. UNCDF	9,060.6	0.0	9,060.6
B. UNRFNRE and UNFSTD	1,130.1	324.8	1,454.9
C. UNSO	7,242.0	1,207.3	8,449.3
D. UNIFEM	5,216.8	310.1	5,526.9
Total resources of Funds	22,649.5	1,842.2	24,491.7
III. TOTAL UNDP APPROPRIATIONS			
Gross appropriations	576,807.1	90,500.2	667,307.3
Estimated income	38,000.0	0.0	38,000.0
Net UNDP appropriations	538,807.1	90,500.2	629,307.3

a/ The Administrator is permitted to redeploy between the country offices and headquarters appropriation lines up to a maximum of 5 per cent.

b/ Extrabudgetary income represents income from external sources, exclusive of reimbursements from non-core units; these are included in the appropriation estimates of the non-core units.

c/ Represents UNDP contribution to CGIAR and UNDP-UNSO/UNEP partnership.

Table 3. Estimated distribution of gross biennial budget estimates by programme and organizational unit

(Thousands of United States dollars)

Organizational unit	1994-1995 estimates			1996-1997 estimates			
				Estimated additional requirements			
	1994-1995 approved appropriation	Cost increase/ (decrease)	1994-1995 revised estimates	Volume increase/ (decrease)	Cost increase (decrease)	Total increase decrease	Total 1996-1997 estimates
I. UNDP CORE ACTIVITIES							
A. Headquarters							
Office of the Administrator							
Office of the Administrator	3,585.9	4.6	3,590.5	1,036.2	220.1	1,256.3	4,846.8
Policy and Coordination Office	1,892.1	(1,892.1)	0.0	0.0	0.0	0.0	0.0
Humanitarian Programme	744.4	40.7	785.1	(785.1)	0.0	(785.1)	0.0
Office of Development Studies	0.0	295.0	295.0	(295.0)	0.0	(295.0)	0.0
Office of Evaluation and Strategic Planning	0.0	3,242.1	3,242.1	(55.0)	105.2	50.2	3,292.3
OUNS/Humanitarian Programme	0.0	0.0	0.0	745.7	13.2	758.9	758.9
Division for Audit and Management Review	4,200.5	(991.1)	3,209.4	(419.9)	165.5	(254.4)	2,955.0
Division of Personnel	10,401.0	52.1	10,453.1	(1,435.7)	594.3	(841.4)	9,611.9
Subtotal	20,823.9	751.5	21,575.4	(1,208.8)	1,098.3	(110.5)	21,464.9
Bureau for Policy and Programme Support							
Bureau for Policy and Programme Support	14,415.3	(1,014.3)	13,401.0	(1,912.0)	661.1	(1,250.9)	12,150.1
Division for Global and Interregional Programmes	1,700.8	(1,700.8)	0.0	0.0	0.0	0.0	0.0
Subtotal	16,116.1	(2,715.1)	13,401.0	(1,912.0)	661.1	(1,250.9)	12,150.1
Bureau for Finance and Administration							
Office of Assistant Administrator	7,545.8	1,191.7	8,737.5	(590.6)	413.5	(177.1)	8,560.4
Division of Finance	10,548.9	(589.3)	9,959.6	(350.4)	650.0	299.6	10,259.2
Division for Administrative and Information Services	38,979.4	(224.5)	38,754.9	(5,504.2)	2,289.9	(3,214.3)	35,540.6
Subtotal	57,074.1	377.9	57,452.0	(6,445.2)	3,353.4	(3,091.8)	54,360.2
Bureau for Resources and External Affairs							
Office of the Assistant Administrator and Director	2,159.2	1,122.0	3,281.2	427.2	212.5	639.7	3,920.9
Division of External Relations	3,396.3	(365.8)	3,030.5	(465.2)	152.3	(312.9)	2,717.6
Division of Public Affairs	7,578.5	(326.6)	7,251.9	(431.5)	510.9	79.4	7,331.3
Division for Resources Mobilization	1,229.7	(13.4)	1,216.3	(25.6)	70.1	44.5	1,260.8
Division for Resources Planning and Coordination	0.0	1,526.3	1,526.3	(95.4)	47.4	(48.0)	1,478.3
Geneva Office	4,459.8	316.2	4,776.0	(474.1)	411.6	(62.5)	4,713.5
Subtotal	18,823.5	2,258.7	21,082.2	(1,064.6)	1,404.8	340.2	21,422.4
Regional Bureau for Africa	15,191.3	(287.3)	14,904.0	(2,467.6)	797.7	(1,669.9)	13,234.1
Regional Bureau for Arab States	5,140.1	(26.8)	5,113.3	(201.5)	273.7	72.2	5,185.5
Regional Bureau for Asia and the Pacific	8,434.2	(310.4)	8,123.8	(1,950.8)	406.6	(1,544.2)	6,579.6
Regional Bureau for Latin America and the Caribbean	5,376.7	(449.5)	4,927.2	(650.6)	263.4	(387.2)	4,540.0
Regional Directorate for Europe and the Commonwealth of Independent States	1,923.4	66.2	1,989.6	1,053.6	267.6	1,321.2	3,310.8
Subtotal	36,065.7	(1,007.8)	35,057.9	(4,216.9)	2,009.0	(2,207.9)	32,850.0
Subtotal I.A.	148,903.3	(334.8)	148,568.5	(14,847.5)	8,526.6	(6,320.9)	142,247.6
B. Country offices							
Africa	132,781.4	(2,538.1)	130,243.3	(18,333.1)	18,554.0	210.9	130,454.2
Asia and the Pacific	71,913.7	(23.5)	71,890.2	(11,283.0)	7,366.1	(3,916.9)	67,973.3
Arab States	47,190.5	510.1	47,700.6	(5,369.8)	6,331.5	961.7	48,662.3
Latin America and the Caribbean	50,534.1	(347.7)	50,186.4	(3,290.2)	7,185.0	3,894.8	54,081.2
Europe	12,008.4	674.0	12,682.4	1,525.1	1,932.7	3,557.8	16,240.2
Subtotal	314,428.1	(1,725.2)	312,702.9	(16,651.0)	41,359.3	4,708.3	317,411.2
Field office support non-specific to country	10,148.6	611.3	10,759.9	(511.9)	603.4	91.5	10,851.4
Subtotal I.B.a/	324,576.7	(1,113.9)	323,462.8	(17,162.9)	41,962.7	4,799.8	328,262.6
Subtotal, I.	473,480.0	(1,448.7)	472,031.3	(32,010.4)	50,489.3	(1,521.1)	470,510.2

a/ 29 per cent of this line relates to support to operational activities of the United Nations, and is, as such, reflected under the PSDA component in the appropriation decision table, combined with the budget relating to OUNS.

Table 3 (continued)

(Thousands of United States dollars)

Organizational unit	1994-1995 estimates			1996-1997 estimates			
				Estimated additional requirements			
	1994-1995 approved appropriation	Cost increase/ (decrease)	1994-1995 revised estimate	Volume increase/ (decrease)	Cost increase (decrease)	Total increase decrease	Total 1996-1997 estimates
II. PROGRAMME SUPPORT AND DEVELOPMENT ACTIVITIES							
A. Support to the operational activities of the United Nations b/	0.0	0.0	0.0	2,425.0	22.1	2,447.1	2,447.1
B. Programme development activities							
Bureau for Policy and Programme Support	8,672.6	(61.2)	8,611.4	326.6	402.7	729.3	9,340.7
Office of Development Studies	0.0	0.0	0.0	956.0	43.1	999.1	999.1
Human Development Report Office	1,357.9	162.7	1,520.6	1,090.6	165.4	1,256.0	2,776.6
TCDC/INRES	3,767.5	60.4	3,827.9	0.0	214.7	214.7	4,042.6
Programme development activities: Field	12,116.7	(96.0)	12,020.7	0.0	1,332.8	1,332.8	13,353.5
Subtotal	25,914.7	65.9	25,980.6	2,373.2	2,158.7	4,531.9	30,512.5
C. Project/programme implementation support							
DSS	6,225.0	0.0	6,225.0	0.0	998.4	998.4	7,223.4
IAPSO	5,925.9	214.4	6,140.3	(1,934.2)	356.5	(1,577.7)	4,562.6
UNV	31,241.0	2,378.9	33,619.9	(1,216.7)	366.3	(850.4)	32,769.5
National execution	3,140.0	123.4	3,263.4	400.0	168.9	568.9	3,832.3
Subtotal	46,531.9	2,716.7	49,248.6	(2,750.9)	1,890.1	(860.8)	48,387.8
D. Programme support	2,300.0	0.0	2,300.0	0.0	0.0	0.0	2,300.0
Subtotal, II.	74,746.6	2,782.6	77,529.2	2,047.3	4,070.9	6,118.2	83,647.4
TOTAL RESOURCES OF UNDP (Subtotals I.,II.)	548,226.6	1,333.9	549,560.5	(49,961.1)	54,560.2	4,587.1	554,147.6
III. FUNDS							
A. Bureau for Policy and Programme Support							
UNCDF	11,778.9	(1,127.0)	10,651.9	(2,230.2)	638.9	(1,591.3)	9,060.6
UNFSTD and UNFPNRE	2,357.0	(703.9)	1,653.1	(674.0)	151.0	(523.0)	1,130.1
UNSO	7,779.0	(1,164.2)	6,614.8	0.0	627.2	627.2	7,242.0
Subtotal	21,914.9	(2,995.1)	18,919.8	(2,904.2)	1,417.1	(1,487.1)	17,432.7
B. UNIFEM	6,614.3	(701.9)	5,912.4	(106.7)	(588.9)	(695.6)	5,216.8
Subtotal, III.	28,529.2	(3,697.0)	24,832.2	(3,010.9)	828.2	(2,182.7)	22,649.5
TOTAL APPROPRIATIONS (Subtotals I.,II.,III.)	576,755.8	(2,363.1)	574,392.7	(52,974.0)	55,388.4	2,414.4	576,807.1

b/ Includes costs relating only to OUNS (see footnote a/).

Table 4(a). Estimated distribution of proposed 1994-1995 gross biennial budget estimates appropriation line and major category of expenditure

(Thousands of United States dollars)

Source of funds/ appropriation line	Major categories of expenditures								
	Salaries and wages	Common staff costs	Travel on official business	Contractual services	General operating expenses	Supplies and materials	Acquisition furniture/ equipment	Reimbursements	Total
I. RESOURCES OF UNDP									
A. UNDP core activities									
Headquarters	63,281.2	37,821.1	5,184.3	5,111.5	25,615.6	1,899.7	3,322.6	6,332.5	148,568.5
Country offices	138,695.1	99,235.6	7,579.6	4,305.6	45,003.0	6,944.2	17,118.1	4,581.6	323,462.8
Subtotal: UNDP core	201,976.3	137,056.7	12,763.9	9,417.1	70,618.6	8,843.9	20,440.7	10,914.1	472,031.3
B. Programme support and development activities									
Programme development activities	13,753.5	9,166.4	272.6	387.2	1,901.5	99.8	399.6	-	25,980.6
Project/programme implementation services									
DSS	6,225.0	-	-	-	-	-	-	-	6,225.0
IAPSO	2,736.9	1,180.0	140.0	252.8	850.1	65.2	109.5	837.8	6,140.3
UNV	16,530.5	7,018.8	973.4	1,494.1	3,275.5	647.8	915.9	2,763.9	33,619.9
National execution	1,430.2	525.1	141.3	-	411.7	10.7	21.8	518.6	3,261.4
Subtotal: project/ programme implementation services	26,920.6	8,693.9	1,456.7	1,746.9	4,537.3	723.7	1,049.2	4,120.3	49,248.6
Programme support	-	-	-	-	-	-	-	2,300.0	2,300.0
Subtotal: programme support and development activities	40,674.1	17,860.3	1,729.3	2,134.1	6,438.8	823.5	1,448.8	6,420.3	77,529.2
Subtotal: Resources Of UNDP	242,650.4	154,917.0	14,493.2	11,551.2	77,057.4	9,667.4	21,889.5	17,334.4	549,560.5
II. RESOURCES OF FUNDS									
UNCDF	4,151.8	2,287.6	494.9	298.6	1,589.2	90.0	122.1	1,417.7	10,451.9
UNFSTD and UNRFNRE	755.3	436.3	20.9	1.3	237.9	5.0	13.5	182.9	1,653.1
UNSO	2,231.0	1,371.2	132.7	26.8	1,072.2	46.6	117.3	1,617.0	6,614.8
UNIFEM	2,489.2	1,426.3	129.4	98.4	960.1	19.6	31.3	738.1	5,912.4
Subtotal: Resources of Funds	9,627.3	5,521.4	777.9	425.1	3,859.4	181.2	484.2	3,955.7	24,832.2
Total	252,277.7	160,438.4	15,271.1	11,976.3	80,916.8	9,848.6	22,373.7	21,290.1	574,392.7

Table 4(b). Estimated distribution of proposed 1996-1997 gross biennial budget estimates appropriation line and major category of expenditure

(Thousands of United States dollars)

Source of funds/ appropriation line	Major categories of expenditures								
	Salaries and wages	Common staff costs	Travel on official business	Contractual services	General operating expenses	Supplies and materials	Acquisition furniture/ equipment	Reimbursements	Total
I. RESOURCES OF UNDP									
A. UNDP core activities									
Headquarters	61,998.9	35,697.0	4,238.2	4,901.2	24,840.4	1,700.2	2,856.7	6,015.0	142,247.6
Country offices	147,264.7	91,502.9	7,999.4	6,119.7	46,719.1	7,121.6	15,894.1	5,641.1	328,262.6
Subtotal: UNDP core	209,263.6	127,199.9	12,237.6	11,020.9	71,559.5	8,821.8	18,750.8	11,656.1	470,510.2
B. Programme support and development activities									
Support to operational activities of the United Nations	1,242.5	687.6	90.9	83.4	268.4	21.1	53.2	-	3,447.1
Programme development activities	16,575.3	10,803.4	360.8	556.5	2,383.7	169.8	464.0	-	30,512.5
Project/programme implementation services									
DGS	7,223.4	-	-	-	-	-	-	-	7,223.4
IAPSO	2,306.2	689.2	152.9	137.9	589.2	71.7	49.2	566.3	4,562.6
UNV	15,021.8	6,988.9	1,024.6	1,700.2	3,740.1	706.9	1,016.3	3,570.7	32,769.5
National execution	1,401.0	545.4	229.9	-	442.2	11.1	25.3	1,177.4	3,832.1
Subtotal: project/ programme implementation services	25,952.4	8,223.5	1,407.4	1,838.1	3,771.5	789.7	1,090.8	5,314.4	48,387.8
Programme support	-	-	-	-	-	-	-	2,300.0	2,300.0
Subtotal: programme Support and development activities	43,770.2	18,914.5	1,859.1	2,478.0	6,423.6	979.6	1,608.0	7,614.4	83,647.4
Subtotal: Resources of UNDP	253,033.8	146,114.4	14,096.7	13,498.9	77,983.1	9,801.4	20,358.8	19,270.5	554,157.6
II. RESOURCES OF FUNDS									
UNCDF	3,767.2	2,036.4	421.1	288.2	1,004.5	35.7	191.0	1,326.5	9,060.6
UNFSTD and UNRFNRE	476.5	344.2	41.8	2.6	111.0	8.5	12.8	132.7	1,130.1
UNSO	2,590.3	1,444.3	142.6	37.5	1,202.8	35.2	79.4	1,709.9	7,242.0
UNIFEM	2,106.7	1,045.3	131.9	78.1	1,009.3	50.8	50.8	743.9	5,216.8
Subtotal: Resources of Funds	8,940.7	4,860.2	737.4	406.4	3,327.6	130.2	334.0	3,913.0	22,649.5
Total	261,974.5	150,974.6	14,834.1	13,905.3	81,310.7	9,931.6	20,692.8	23,183.5	576,807.1

Table 5. Estimated distribution, by object of expenditure category, of gross biennial budget estimates for UNDP core activities: 1994-1997

(Thousands of United States dollars)

Object of expenditure category	1994-1995 estimates			1996-1997 estimates			Total 1996-1997 estimates
				Estimated additional requirements			
	Approved appropriations	Cost increase (decrease)	Revised estimates	Volume increase (decrease)	Cost increase (decrease)	Total increase (decrease)	
Salaries and wages							
Established posts	191,121.0	(1,936.2)	189,184.8	(18,591.8)	25,241.5	6,649.7	195,834.5
Temporary posts	2,949.8	(502.1)	2,447.7	0.0	282.5	282.5	2,730.2
Temporary assistance	3,601.1	78.9	3,680.0	(143.0)	492.0	349.0	4,029.0
Consultants	3,476.7	7.5	3,482.2	(133.6)	192.8	59.2	3,541.4
Overtime	3,204.1	(22.5)	3,181.6	(524.1)	471.0	(53.1)	3,128.5
	204,350.7	(2,374.4)	201,976.3	(19,392.5)	26,679.8	7,287.3	209,263.6
Common staff costs							
Staff allowances	25,636.6	3,520.1	29,156.7	(3,608.3)	2,076.2	(1,532.1)	27,624.6
Pensions and medical	44,557.6	847.7	45,405.3	(5,994.1)	4,344.9	(1,649.2)	43,756.1
Education grant and travel	7,377.1	(43.9)	7,333.2	(773.1)	347.5	(425.6)	6,907.6
Home leave	5,116.5	(28.2)	5,088.3	(793.4)	227.8	(565.6)	4,522.7
Reassignment and travel	15,572.9	(89.7)	15,483.2	(4,479.8)	571.1	(3,908.7)	11,574.5
Appointment transfer and separation	12,026.7	(69.1)	11,957.6	(767.1)	573.0	(194.1)	11,763.5
Security	4,347.2	(26.4)	4,320.8	(475.2)	198.9	(276.3)	4,044.5
Training	7,600.3	(39.6)	7,560.7	(1,112.1)	344.3	(767.8)	6,792.9
Other common staff costs, including reimbursement of taxes	10,811.0	(60.1)	10,750.9	(1,048.3)	510.9	(537.4)	10,213.5
	131,045.9	4,010.8	137,056.7	(19,051.4)	9,194.6	(9,856.8)	127,199.9
Travel on official business							
Travel to official meetings	1,491.1	(8.8)	1,482.3	(258.2)	64.5	(193.7)	1,288.6
Other staff travel	10,378.7	902.9	11,281.6	(1,295.2)	962.6	(332.6)	10,949.0
	11,869.8	894.1	12,763.9	(1,553.4)	1,027.1	(526.3)	12,237.6
Contractual services							
Information contracts, including printing and binding	4,214.5	(32.3)	4,182.2	1,365.6	790.5	2,156.1	6,338.3
Translation	537.0	(1.0)	536.0	(115.3)	23.5	(91.8)	444.2
Systems development contracts	4,698.8	0.1	4,698.9	(757.3)	296.8	(460.5)	4,238.4
	9,450.3	(33.2)	9,417.1	493.0	1,110.8	1,603.8	11,020.9
General operating expenses							
Rental and maintenance of premises	30,270.9	391.4	30,662.3	(3,259.4)	3,775.0	515.6	31,177.9
Utilities	4,986.0	(67.7)	4,918.3	(762.7)	796.1	33.4	4,951.7
Rental and maintenance of furniture equipment and supplies	9,823.9	(1,389.1)	8,434.8	(1,333.3)	1,618.2	284.9	8,719.7
Communications	17,803.1	1,378.6	19,181.7	(1,906.3)	1,700.6	(205.7)	18,976.0
Hospitality	648.3	14.8	663.1	(2.8)	128.6	125.8	788.9
Rental and maintenance of computer equipment	2,472.1	0.0	2,472.1	(225.5)	169.4	(56.1)	2,416.0
Miscellaneous services	4,448.5	(162.3)	4,286.3	(474.2)	717.2	243.0	4,529.3
	70,452.9	165.7	70,618.6	(7,964.2)	8,905.1	940.9	71,559.5
Supplies and materials							
Stationery and office supplies	8,941.6	(342.0)	8,599.6	(1,308.4)	1,394.0	85.6	8,685.2
EDP supplies	244.3	0.0	244.3	(117.5)	9.8	(107.7)	136.6
	9,185.9	(342.0)	8,843.9	(1,425.9)	1,403.8	(22.1)	8,821.8
Acquisition of furniture and equipment							
Office furniture and equipment	7,345.6	0.1	7,345.7	(1,572.9)	580.7	(992.2)	6,353.5
Micro computers hardware/software	6,627.3	407.5	7,034.8	(944.7)	437.0	(507.7)	6,527.1
Vehicles	5,310.0	266.0	5,576.0	(753.3)	558.8	(194.5)	5,381.5
Security equipment	487.0	(2.8)	484.2	(20.0)	24.5	4.5	488.7
	19,769.9	670.8	20,440.7	(3,290.9)	1,601.0	(1,689.9)	18,750.8
Reimbursements							
UNDP jointly funded activities	6,042.8	(4,424.6)	1,618.2	809.7	79.6	889.3	2,507.5
Contributions to joint activities	2,318.5	(12.7)	2,305.8	(462.7)	92.6	(370.1)	1,935.7
UNDP reimbursement to the United Nations Standing Committee for Programme Matters	6,521.2	(3.2)	6,518.0	(100.0)	371.5	271.5	6,789.5
	472.1	0.0	472.1	(72.1)	23.4	(48.7)	423.4
	15,354.6	(4,440.5)	10,914.1	174.9	567.1	742.0	11,656.1
Grand total	473,480.0	(1,448.7)	472,031.3	(52,010.4)	50,489.3	(1,521.1)	470,510.2

Table 6(a). Estimated distribution of revised UNDP gross budget estimates for the 1994-1995 biennium for electronic data processing and related expenditures a/
(Thousands of United States dollars)

Source of funds/ appropriation line	Major categories of expenditure: Staff costs	Systems development contracts	Leases/ license maintenance	Acquisition of hardware, software and EDP supplies	Shared computer services	Total
I. RESOURCES OF UNDP						
A. UNDP core activities						
Headquarters	4,031.6	1,661.0	2,434.8	2,780.1	55.4	10,962.9
Country offices	836.8	3,037.9	37.3	4,499.0	0.0	8,411.0
Total UNDP core activities	4,868.4	4,698.9	2,472.1	7,279.1	55.4	19,373.9
B. Programme support and development activities						
Programme development activities	0.0	110.0	0.0	297.1	0.0	407.1
Project/programme implementation services						
DSS	0.0	0.0	0.0	0.0	0.0	0.0
IAPSO	0.0	176.5	0.0	101.3	13.0	290.8
UNV	0.0	847.3	0.0	624.6	308.7	1,780.6
National execution	0.0	0.0	0.0	0.0	0.0	0.0
Total project/ programme implementation services	0.0	1,023.8	0.0	725.9	321.7	2,071.4
Programme support	0.0	0.0	0.0	0.0	0.0	0.0
Total programme support and development activities	0.0	1,133.8	0.0	1,023.0	321.7	2,478.5
C. Total resources of UNDP	4,868.4	5,832.7	2,472.1	8,302.1	377.1	21,852.4
II. RESOURCES OF FUNDS						
UNCDF	0.0	150.9	64.8	280.5	0.0	496.2
UNRFNRE and UNFSTD	0.0	0.0	1.0	3.5	0.0	4.5
UNSO	0.0	10.0	1.4	48.4	0.0	59.8
UNIFEM	0.0	40.0	6.5	22.3	2.7	71.5
Total resources of Funds	0.0	200.9	73.7	354.7	2.7	632.0
Total UNDP appropriations	4,868.4	6,033.6	2,545.8	8,656.8	379.8	22,484.4

a/ This table is not fully representative of the Organization's total EDP costs. It shows only those items that are separately identifiable in the budget.

Table 6(b). Estimated distribution of revised UNDP gross budget estimates for the 1996-1997 biennium for electronic data processing and related expenditures a/
(Thousands of United States dollars)

Source of funds/ appropriation line	Major categories of expenditure: Staff costs	Systems development contracts	Leases/ license maintenance	Acquisition of hardware, software and EDP supplies	Shared computer services	Total
I. RESOURCES OF UNDP						
A. UNDP core activities						
Headquarters	3,546.6	1,607.5	2,356.6	2,446.5	61.0	10,018.2
Country offices	881.0	2,630.9	59.4	4,353.8	0.0	7,925.1
Total UNDP core activities	4,427.6	4,238.4	2,416.0	6,800.3	61.0	17,943.3
B. Programme support and development activities						
Programme development activities	0.0	193.4	7.5	373.3	0.0	574.2
Project/programme implementation services						
DSS	0.0	0.0	0.0	0.0	0.0	0.0
IAPSO	0.0	54.4	0.0	40.3	14.6	109.3
UNV	0.0	980.9	0.0	703.9	372.6	2,057.4
National Execution	0.0	0.0	0.0	0.0	0.0	0.0
Total project/ programme implementation services	0.0	1,035.3	0.0	744.2	387.2	2,166.7
Programme support	0.0	0.0	0.0	0.0	0.0	0.0
Total programme support and development activities	0.0	1,228.7	7.5	1,117.5	387.2	2,740.9
C. Total resources of UNDP	4,427.6	5,467.1	2,423.5	7,917.8	448.2	20,684.2
II. RESOURCES OF FUNDS						
UNCDF	0.0	109.7	4.4	173.2	0.0	287.3
UNRFNRE and UNFSTD	0.0	0.0	2.1	7.6	0.0	9.7
UNSO	0.0	16.8	2.0	31.3	0.0	50.1
UNIFEM	0.0	39.8	6.9	36.9	3.1	86.7
Total resources of Funds	0.0	166.3	15.4	249.0	3.1	433.8
Total UNDP appropriations	4,427.6	5,633.4	2,438.9	8,166.8	451.3	21,118.0

a/ This table is not fully representative of the Organization's total EDP costs. It shows only those items that are separately identifiable in the budget.

Table 7. UNDP estimates for the 1996-1997 biennium for activities financed from extrabudgetary sources, by source of funds and organizational unit

(Thousands of United States dollars)

Source of funds/organizational unit	Revised 1994-1995 estimates	Estimated increase decrease	1996-1997 estimates
I. SUPPORT SERVICES PROVIDED BY UNDP CORE ACTIVITIES TO UNDP NON-CORE ACTIVITIES, OTHER ORGANIZATIONS AND TRUST FUNDS			
A. Office of the Administrator			
Office of the Administrator	967.1	44.6	1,011.7
OUNS/Humanitarian Programme	0.0	100.8	100.8
Division for Audit and Management Review	3,478.8	95.9	3,574.7
Division of Personnel	5,428.8	256.7	5,685.5
Subtotal	9,874.7	498.0	10,372.7
B. Bureau for Finance and Administration			
Office of the Assistant Administrator	1,222.6	43.4	1,266.0
Division of Finance	4,349.5	430.1	4,779.6
Division for Administrative and Information Services	9,186.5	(146.7)	9,039.8
Subtotal	14,758.6	326.8	15,085.4
C. Bureau for Resources and External Affairs			
Office of the Assistant Administrator and Director	204.9	9.7	214.6
Division of External Relations	491.1	22.1	513.2
Division for Resources Planning and Coordination	448.4	11.2	459.6
Subtotal	1,144.4	43.0	1,187.4
D. Other			
Regional Bureau for Latin America and the Caribbean	336.7	13.0	349.7
Bureau for Policy and Programme Support	340.6	(15.3)	325.3
Subtotal	677.3	(2.3)	675.0
Total support services provided by UNDP core activities to UNDP non-core activities, other organizations and trust funds	26,455.0	865.5	27,320.5
II. SUSTAINABLE DEVELOPMENT FUNDS			
Bureau for Policy and Programme Support	13,734.7	4,761.9	18,496.6
III. PROGRAMME AND ADMINISTRATIVE SUPPORT RELATED TO COUNTRY OFFICE ACTIVITIES			
A. Country offices			
Africa	3,719.8	(1,983.7)	1,736.1
Arab States	11,211.5	1,283.7	12,495.2
Asia and the Pacific	3,123.4	301.3	3,424.7
Latin America and the Caribbean	22,199.5	3,198.2	25,397.7
Europe	697.3	646.9	1,344.2
Field office non-specific to country	820.3	49.3	869.6
Subtotal	41,771.8	3,495.7	45,267.5

Table 7 (continued)

Source of funds/organizational unit	Revised 1994-1995 estimates	Estimated increase decrease	1996-1997 estimates
B. Headquarters			
1. Office of the Administrator			
Division for Audit and Management Review	0.0	321.9	321.9
Division of Personnel	785.2	50.3	835.5
Subtotal	785.2	372.2	1,157.4
2. Bureau for Policy and Programme Support	861.1	(40.2)	820.9
3. Bureau for Finance and Administration			
Office of the Assistant Administrator	132.4	7.1	139.5
Division of Finance	831.8	171.7	1,003.5
Division for Administrative and Information Services	155.9	14.4	170.3
Subtotal	1,120.1	193.2	1,313.3
4. Regional Bureaux			
Africa	1,044.9	83.3	1,128.2
Arab States	311.4	26.1	337.5
Asia and the Pacific	365.8	38.2	404.0
Latin America and the Caribbean	2,436.2	168.5	2,604.7
Regional Directorate for Europe and the CIS	140.6	8.9	149.5
Subtotal	4,298.9	325.0	4,623.9
Subtotal headquarters	7,065.3	850.2	7,915.5
Total programme and administrative support related to country office activities	48,837.1	4,345.9	53,183.0
IV. SUPPORT SERVICES PROVIDED BY UNDP NON-CORE ACTIVITIES FINANCED FROM EXTRABUDGETARY SOURCES IN RESPECT OF:			
IAPSO	3,552.8	358.6	3,911.4
UNV	2,725.3	274.4	2,999.7
UNSO			
UNSO	1,736.5	(1,529.2)	207.3
UNDP-UNSO/UNEP joint venture	2,000.0	(1,000.0)	1,000.0
Total UNSO	3,736.5	(2,529.2)	1,207.3
UNIFEM	298.8	11.3	310.1
UNFSTD and UNRFNRE	314.1	10.7	324.8
Total support services provided by UNDP non-core activities financed from extrabudgetary sources	10,627.5	(1,874.2)	8,753.3
Total UNDP activities financed from extrabudgetary sources	99,654.3	8,099.1	107,753.4

Table 8. UNDP estimates for activities from extrabudgetary sources, by major category of expenditure, 1994-1997

(Thousands of United States dollars)

Major category of expenditure	RELATED TO UNDP CORE ACTIVITIES			RELATED TO PROGRAMME SUPPORT ACTIVITIES			RELATED TO THE FUNDS ACTIVITIES		
	Revised 1994-1995 estimates	Estimated increase (decrease)	1996-1997 estimates	Revised 1994-1995 estimates	Estimated increase (decrease)	1996-1997 estimates	Revised 1994-1995 estimates	Estimated increase (decrease)	1996-1997 estimates
Salaries and wages	47,939.7	4,564.6	52,504.3	3,480.8	357.2	3,838.0	2,597.0	(1,552.2)	1,044.8
Common staff costs	18,605.9	2,011.5	20,617.4	1,260.6	58.6	1,319.2	1,340.3	(1,001.8)	338.5
Travel on official business	2,536.6	690.7	3,227.3	101.2	13.7	114.9	139.3	9.0	148.3
Contractual services	2,089.7	149.2	2,238.9	29.4	4.1	33.5	6.3	1.6	7.9
General operating expenses	12,395.2	1,091.7	13,486.9	771.6	107.4	879.0	222.9	32.5	255.4
Supplies and materials	1,258.6	243.8	1,502.4	154.7	21.8	176.5	18.6	2.4	21.0
Acquisition of furniture and equipment	1,992.6	(180.2)	1,812.4	479.8	70.2	550.0	25.0	1.3	26.3
Other expenditure	2,208.5	1,402.0	3,610.5	0.0	0.0	0.0	0.0	0.0	0.0
Total	89,026.8	9,973.3	99,000.1	6,278.1	633.0	6,911.1	4,349.4	(2,507.2)	1,842.2

Table 9. Proposed UNDP staffing requirements for the 1996-1997 biennium

Source of funds/appropriation		International Professional and above categories								General Service categories				Local staff categories			
		Asst. Admin	D-2	D-1	P-5	P-4	P-3	P-2/1	Total	Senior level	Other level	Manual	Total	National officers	Local staff	Total	Grand total
I. RESOURCES OF UNDP																	
A. UNDP core activities																	
Headquarters posts																	
Budgetary	1994-1995 established	9	15	40	65	49	18	5	200	127	147	6	280			0	480
	1994-1995 temporary	0	1	0	1	0	0	0	2	0	0	0	0			0	2
	1994-1995 total	9	16	40	66	49	18	5	202	127	147	6	280	0	0	0	482
	1996-1997 established	8	17	37	64	38	13	3	180	123	123	4	250			0	430
	1996-1997 temporary	0	1	0	1	0	0	0	2	0	0	0	0			0	2
	1996-1997 total	8	18	37	65	38	13	3	182	123	123	4	250	0	0	0	432
Extrabudgetary	1994-1995 temporary	0	1	7	28	27	27	12	102	59	84	3	146			0	248
	1996-1997 temporary	0	1	7	29	27	27	12	103	59	84	3	146			0	249
Total	1994-1995	9	17	47	94	76	45	17	304	186	231	9	426	0	0	0	730
	1996-1997	8	19	44	94	65	40	15	285	182	207	7	396	0	0	0	681
Country office posts																	
Budgetary	1994-1995 established	0	28	82	100	101	70	33	414				0	425	2668	3093	3507
	1994-1995 temporary	0	0	0	1	11	3	0	15				0	0	0	0	15
	1994-1995 total	0	28	82	101	112	73	33	429	0	0	0	0	425	2668	3093	3522
	1996-1997 established	0	28	82	95	85	31	8	329				0	445	2439	2884	3213
	1996-1997 temporary	0	0	0	1	11	3	0	15				0	0	0	0	15
	1996-1997 total	0	28	82	96	96	34	8	344	0	0	0	0	445	2439	2884	3228
Extrabudgetary	1994-1995 temporary	0	0	1	1	4	3	8	17				0	70	664	734	751
	1996-1997 temporary	0	0	1	1	4	3	8	17				0	70	664	734	751
Total	1994-1995	0	28	83	102	116	76	41	446	0	0	0	0	495	3332	3827	4273
	1996-1997	0	28	83	97	100	37	16	361	0	0	0	0	515	3103	3618	3979
Total UNDP core activities																	
Budgetary	1994-1995 established	9	43	122	165	150	88	38	614	127	147	6	280	425	2668	3093	3987
	1994-1995 temporary	0	1	0	2	11	3	0	17	0	0	0	0	0	0	0	17
	1994-1995 total	9	44	122	167	161	91	38	631	127	147	6	280	425	2668	3093	4004
	1996-1997 established	8	45	119	159	123	44	11	509	123	123	4	250	445	2439	2884	3643
	1996-1997 temporary	0	1	0	2	11	3	0	17	0	0	0	0	0	0	0	17
	1996-1997 total	8	46	119	161	134	47	11	526	123	123	4	250	445	2439	2884	3660
Extrabudgetary	1994-1995 temporary	0	1	8	29	31	30	20	119	59	84	3	146	70	664	734	999
	1996-1997 temporary	0	1	8	30	31	30	20	120	59	84	3	146	70	664	734	1000
Total	1994-1995	9	45	130	196	192	121	58	750	186	231	9	426	495	3332	3827	5003
	1996-1997	8	47	127	191	165	77	31	646	182	207	7	396	515	3103	3618	4660
B. Programme support and development activities																	
Programme development activities																	
Budgetary	1994-1995 established	0	4	11	25	13	1	0	54	2	19		21	63	0	63	138
	1994-1995 temporary	0	0	0	0	0	0	0	0	0	0		0	0	0	0	0
	1994-1995 total	0	4	11	25	13	1	0	54	2	19	0	21	63	0	63	138
	1996-1997 established	0	5	12	28	13	2	0	60	4	24		28	63	0	63	151
	1996-1997 temporary	0	0	0	0	0	0	0	0	0	0		0	0	0	0	0
	1996-1997 total	0	5	12	28	13	2	0	60	4	24	0	28	63	0	63	151
Extrabudgetary	1994-1995 temporary	0	0	0	0	0	0	0	0	0	0		0	0	0	0	0
	1996-1997 temporary	0	0	0	0	0	0	0	0	0	0		0	0	0	0	0
Subtotal	1994-1995	0	4	11	25	13	1	0	54	2	19	0	21	63	0	63	138
	1996-1997	0	5	12	28	13	2	0	60	4	24	0	28	63	0	63	151

Table 9 (continued)

Source of funds/appropriation		International Professional and above categories								General Service categories				Local staff categories			
		Asst. Admin	D-2	D-1	P-5	P-4	P-3	P-2/1	Total	Senior level	Other level	Manual	Total	National Officers	Local staff	Total	Grand total
Project/programme implementation																	
IAPSO																	
Budgetary	1994-1995 established	0	0	1	2	3	1	0	7	2	6		8			0	15
	1994-1995 temporary	0	0	0	0	0	0	0	0	0	0		0			0	0
	1994-1995 total	0	0	1	2	3	1	0	7	2	6	0	8	0	0	0	15
	1996-1997 established	0	0	1	2	1	0	0	4	3	2		5			0	9
	1996-1997 temporary	0	0	0	0	0	0	0	0	0	0		0			0	0
	1996-1997 total	0	0	1	2	1	0	0	4	3	2	0	5	0	0	0	9
Extrabudgetary	1994-1995 temporary	0	1	0	0	1	4	0	6	0	15		15			0	21
	1996-1997 temporary	0	1	0	0	1	4	0	6	0	15		15			0	21
Total	1994-1995	0	1	1	2	4	5	0	13	2	21	0	23	0	0	0	36
	1996-1997	0	1	1	2	2	4	0	10	3	17	0	20	0	0	0	30
UNV																	
Budgetary	1994-1995 established	0	1	2	4	5	8	5	25	4	35		39	60	60	120	184
	1994-1995 temporary	0	0	0	4	1	2	1	8	1	20		21	0	0	0	29
	1994-1995 total	0	1	2	8	6	10	6	33	5	55	0	60	60	60	120	213
	1996-1997 established	0	1	2	5	3	8	2	21	4	31		35	60	60	120	176
	1996-1997 temporary	0	0	0	4	1	2	1	8	1	20		21	0	0	0	29
	1996-1997 total	0	1	2	9	4	10	3	29	5	51	0	56	60	60	120	205
Extrabudgetary	1994-1995 temporary	0	0	0	0	0	5	3	8	0	5		5	0	0	0	13
	1996-1997 temporary	0	0	0	0	0	5	3	8	0	5		5	0	0	0	13
Total	1994-1995	0	1	2	8	6	15	9	41	5	60	0	65	60	60	120	226
	1996-1997	0	1	2	9	4	15	6	37	5	56	0	61	60	60	120	218
Sub-total project/programme implementation																	
Budgetary	1994-1995 established	0	1	3	6	8	9	5	32	6	41	0	47	60	60	120	199
	1994-1995 temporary	0	0	0	4	1	2	1	8	1	20	0	21	0	0	0	29
	1994-1995 total	0	1	3	10	9	11	6	40	7	61	0	68	60	60	120	228
	1996-1997 established	0	1	3	7	4	8	2	25	7	33	0	40	60	60	120	185
	1996-1997 temporary	0	0	0	4	1	2	1	8	1	20	0	21	0	0	0	29
	1996-1997 total	0	1	3	11	5	10	3	33	8	53	0	61	60	60	120	214
Extrabudgetary	1994-1995 temporary	0	1	0	0	1	9	3	14	0	20	0	20	0	0	0	34
	1996-1997 temporary	0	1	0	0	1	9	3	14	0	20	0	20	0	0	0	34
Total	1994-1995	0	2	3	10	10	20	9	54	7	81	0	88	60	60	120	262
	1996-1997	0	2	3	11	6	19	6	47	8	73	0	81	60	60	120	248
Total programme support and development activities																	
Budgetary	1994-1995 established	0	5	14	31	21	10	5	86	8	60	0	68	123	60	183	337
	1994-1995 temporary	0	0	0	4	1	2	1	8	1	20	0	21	0	0	0	29
	1994-1995 total	0	5	14	35	22	12	6	94	9	80	0	89	123	60	183	366
	1996-1997 established	0	6	15	35	17	10	2	85	11	57	0	68	123	60	183	336
	1996-1997 temporary	0	0	0	4	1	2	1	8	1	20	0	21	0	0	0	29
	1996-1997 total	0	6	15	39	18	12	3	93	12	77	0	89	123	60	183	365
Extrabudgetary	1994-1995 temporary	0	1	0	0	1	9	3	14	0	20	0	20	0	0	0	34
	1996-1997 temporary	0	1	0	0	1	9	3	14	0	20	0	20	0	0	0	34
Total	1994-1995	0	6	14	35	23	21	9	108	9	100	0	109	123	60	183	400
	1996-1997	0	7	15	39	19	21	6	107	12	97	0	109	123	60	183	399

Table 9 (continued)

Source of funds/appropriation		International Professional and above categories								General Service categories				Local staff categories			
		Asst. Admin	D-2	D-1	P-5	P-4	P-3	P-2/1	Total	Senior level	Other level	Manual	Total	National Officers	Local staff	Total	Grand total
C. Total resources of UNDP																	
Budgetary	1994-1995 established	8	48	136	196	171	98	43	700	135	207	6	348	548	2728	3276	4324
	1994-1995 temporary	0	1	0	6	12	5	1	25	1	20	0	21	0	0	0	46
	1994-1995 total	8	49	136	202	183	103	44	725	136	227	6	369	548	2728	3276	4370
	1996-1997 established	8	51	134	194	140	54	13	594	134	180	4	318	568	2499	3067	3979
	1996-1997 temporary	0	1	0	6	12	5	1	25	1	20	0	21	0	0	0	46
	1996-1997 total	8	52	134	200	152	59	14	619	135	200	4	339	568	2499	3067	4025
Extrabudgetary	1994-1995 temporary	0	2	8	29	32	39	23	133	59	104	3	166	70	664	734	1033
	1996-1997 temporary	0	2	8	30	32	39	23	134	59	104	3	166	70	664	734	1034
Total	1994-1995	8	51	144	231	215	142	67	858	195	331	9	535	618	3392	4010	5403
	1996-1997	8	54	142	230	184	98	37	753	194	304	7	505	638	3163	3801	5059
II. RESOURCES OF FUNDS GROSS/NET APPROPRIATIONS																	
A. UNCDF																	
Budgetary	1994-1995 established	0	1	1	5	10	1	0	18	7	11		18			0	36
	1994-1995 temporary	0	0	3	1	1	0	0	5	0	2		2			0	7
	1994-1995 total	0	1	4	6	11	1	0	23	7	13	0	20	0	0	0	43
	1996-1997 established	0	1	1	3	9	1	0	15	7	11		18			0	33
	1996-1997 temporary	0	0	3	1	1	0	0	5	0	2		2			0	7
	1996-1997 total	0	1	4	4	10	1	0	20	7	13	0	20	0	0	0	40
Extrabudgetary	1994-1995 temporary	0	0	0	0	0	0	0	0	0	0		0			0	0
	1996-1997 temporary	0	0	0	0	0	0	0	0	0	0		0			0	0
Total	1994-1995	0	1	4	6	11	1	0	23	7	13	0	20	0	0	0	43
	1996-1997	0	1	4	4	10	1	0	20	7	13	0	20	0	0	0	40
B. UNFNRR AND UNFSTD																	
Budgetary	1994-1995 established	0	0	1	0	0	0	0	1	1	1		2			0	3
	1994-1995 temporary	0	0	0	1	0	0	0	1	0	0		0			0	1
	1994-1995 total	0	0	1	1	0	0	0	2	1	1	0	2	0	0	0	4
	1996-1997 established	0	0	1	0	0	0	0	1	1	1		2			0	3
	1996-1997 temporary	0	0	0	1	0	0	0	1	0	0		0			0	1
	1996-1997 total	0	0	1	1	0	0	0	2	1	1	0	2	0	0	0	4
Extrabudgetary	1994-1995 temporary	0	0	0	1	0	0	0	1	0	1		1			0	2
	1996-1997 temporary	0	0	0	1	0	0	0	1	0	1		1			0	2
Total	1994-1995	0	0	1	2	0	0	0	3	1	2	0	3	0	0	0	6
	1996-1997	0	0	1	2	0	0	0	3	1	2	0	3	0	0	0	6
C. UNSO																	
Budgetary	1994-1995 established	0	1	1	2	5	0	0	9	1	7		8	3	6	9	26
	1994-1995 temporary	0	0	0	0	0	0	0	0	0	0		0	0	0	0	0
	1994-1995 total	0	1	1	2	5	0	0	9	1	7	0	8	3	6	9	26
	1996-1997 established	0	1	1	2	5	0	0	9	2	6		8	3	6	9	26
	1996-1997 temporary	0	0	0	0	0	0	0	0	0	0		0	0	0	0	0
	1996-1997 total	0	1	1	2	5	0	0	9	2	6	0	8	3	6	9	26
Extrabudgetary	1994-1995 temporary	0	0	0	3	0	0	0	3	0	3		3	0	0	0	6
	1996-1997 temporary	0	0	0	3	0	0	0	3	0	3		3	0	0	0	6
Total	1994-1995	0	1	1	5	5	0	0	12	1	10	0	11	3	6	9	32
	1996-1997	0	1	1	5	5	0	0	12	2	9	0	11	3	6	9	32
D. UNIFEM																	
Budgetary	1994-1995 established	0	1	0	3	4	4	0	12	1	8		9			0	21
	1994-1995 temporary	0	0	0	1	2	0	0	3	0	3		3			0	6
	1994-1995 total	0	1	0	4	6	4	0	15	1	11	0	12	0	0	0	27
	1996-1997 established	0	1	0	3	4	4	0	12	1	8		9			0	21
	1996-1997 temporary	0	0	0	1	2	0	0	3	0	3		3			0	6
	1996-1997 total	0	1	0	4	6	4	0	15	1	11	0	12	0	0	0	27
Extrabudgetary	1994-1995 temporary	0	0	0	0	0	1	0	1	0	0		0			0	1
	1996-1997 temporary	0	0	0	0	0	1	0	1	0	0		0			0	1
Total	1994-1995	0	1	0	4	6	5	0	16	1	11	0	12	0	0	0	28
	1996-1997	0	1	0	4	6	5	0	16	1	11	0	12	0	0	0	28

Table 9 (continued)

Source of funds/appropriation			International Professional and above categories								General Service categories				Local staff categories			Grand total
			Asst. Admin	D-2	D-1	P-5	P-4	P-3	P-2/1	Total	Senior level	Other level	Manual	Total	National Officers	Local staff	Total	
	Total resources of Funds																	
	Budgetary	1994-1995 established	0	3	3	10	19	5	0	40	10	27	0	37	3	6	9	86
		1994-1995 temporary	0	0	3	3	3	0	0	9	0	5	0	5	0	0	0	14
		1994-1995 total	0	3	6	13	22	5	0	49	10	32	0	42	3	6	9	100
		1996-1997 established	0	3	3	8	18	5	0	37	11	26	0	37	3	6	9	83
		1996-1997 temporary	0	0	3	3	3	0	0	9	0	5	0	5	0	0	0	14
		1996-1997 total	0	3	6	11	21	5	0	46	11	31	0	42	3	6	9	97
	Extrabudgetary	1994-1995 temporary	0	0	0	4	0	1	0	5	0	4	0	4	0	0	0	9
		1996-1997 temporary	0	0	0	4	0	1	0	5	0	4	0	4	0	0	0	9
	Total	1994-1995	0	3	6	17	22	6	0	54	10	36	0	46	3	6	9	109
		1996-1997	0	3	6	15	21	6	0	51	11	35	0	46	3	6	9	106
III.	TOTAL APPROPRIATIONS UNDP AND FUNDS																	
	Budgetary	1994-1995 established	8	51	139	206	190	103	43	740	145	234	6	385	551	2734	3285	4410
		1994-1995 temporary	0	1	3	9	15	5	1	34	1	25	0	26	0	0	0	60
		1994-1995 total	8	52	142	215	205	108	44	774	146	259	6	411	551	2734	3285	4470
		1996-1997 established	8	54	137	202	158	59	13	631	145	206	4	355	571	2505	3076	4062
		1996-1997 temporary	0	1	3	9	15	5	1	34	1	25	0	26	0	0	0	60
		1996-1997 total	8	55	140	211	173	64	14	665	146	231	4	381	571	2505	3076	4122
	Extrabudgetary	1994-1995 temporary	0	2	8	33	32	40	23	138	59	108	3	170	70	664	734	1042
		1996-1997 temporary	0	2	8	34	32	40	23	139	59	108	3	170	70	664	734	1043
	Total	1994-1995	8	54	150	248	237	148	67	912	205	367	9	581	621	3398	4019	5512
		1996-1997	8	57	148	245	205	104	37	804	205	339	7	551	641	3169	3810	5165